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United Nations Industrial Development Organization

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Industrial Development Board

Twenty-first session
Vienna, 23-25 June 1999

Programme and Budget Committee

Fifteenth session
Vienna, 14-16 April 1999
Item 5 of the provisional agenda

MEDIUM-TERM PROGRAMME FRAMEWORK, 2000-2003

Proposals of the Director-General

Proposes a medium-term programme framework for the period 2000-2003, in compliance with General Conference decisions GC.2/Dec.23, GC.6/Dec.10 and GC.7/Dec.15, as well as Board decision IDB.20/Dec.6.

1. The present document should be considered in conjunction with the preview of the medium-term programme framework (IDB.20/9-PBC.14/8), which described the legislative background and the proposed indicative general ceiling for the programme and budgets, 2000-2001. In compliance with Board decision IDB.20/Dec.6, full account has been taken of the comments made during the fourteenth session of the Programme and Budget Committee and the twentieth session of the Board.

2. The medium-term programme framework, 2000-2003, is linked to the programme framework for 2000-2001, as described in chapter II of the introduction to the proposed programme and budgets for that biennium (IDB.21/7-PBC.15/7). Programme and budget innovations closely linked with the Organization's programmatic framework can be summarized as follows:

- All substantive programmes are described under two major programmes, as set out in the Business Plan: Major Programme C (Strengthening of Industrial Capacities) and Major Programme D (Cleaner and Sustainable Industrial Development).
- The Programmes listed under each major programme are synonymous with the service modules. Budgetary requirements are established at this level.
- Subprogramme-level presentations have been replaced with summaries of the services UNIDO will provide. An indication of the expected outputs is also given.

3. The use of the service modules as the foci of the Organization's programme and budgets and programmatic framework underscores the ongoing process of developing

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sets of integrated programmes and packages of services in accordance with the Business Plan.

4. The service modules represent areas where UNIDO can provide specific support services singly, or preferably in combination with other service modules, to address major problems of industrial development. Combining modules to enable cross-organizational cooperation ensures that UNIDO clients benefit from tailor-made programmes which provide the full range of services the Organization has on offer.

5. The development of these programmes is the result of a dialogue between the country and UNIDO. This is necessary because of the complexity of the integrated programmes and their heavy reliance on a sense of ownership and commitment at the country level. Without this, not only will the delivery of UNIDO services be more difficult, but also the sustainability of the programme and its full impact at the level of target beneficiaries and national industrial objectives may not be achieved.

6. Moreover, UNIDO must come to a common understanding with the Government on the national industrial objectives that should be supported and their relationship to the overall development goals of the country. UNIDO's response will vary depending on whether the overall development goals aim at economic development, employment generation, poverty reduction, balanced development among economic sectors, export-based development, etc.

7. The chart on the following page provides a schematic overview of how UNIDO can support a country's development efforts within its industrial development framework. Once an agreement is reached with the country concerned on the level, extent and nature of assistance required, this agreement represents the industrial development programme framework between UNIDO and the country.

8. As set out in the preview of the medium-term programme framework (IDB.20/9-PBC.14/8), Secretariat staff under the leadership of the Director-General are currently in the midst of a massive integrated programming exercise. May 1999 will mark the end of the first phase of this endeavour.

9. Reflecting the importance given to Africa, six integrated programmes are already under implementation in Africa, although only partially funded at the present time. Countries covered are Burkina Faso, Guinea, Kenya, Rwanda, Uganda and the United Republic of Tanzania.

10. In addition, an integrated programme for Algeria is under negotiation and a special integrated programme for India has started under a trust fund agreement.

11. Another group which have benefited from programming missions will have integrated programmes approved very soon; these include Guatemala, Morocco, Palestine, Saudi Arabia, Sudan, Thailand and Tunisia.

12. Completion of a further set of integrated programming missions, including five for Africa, is planned for May 1999. They are:

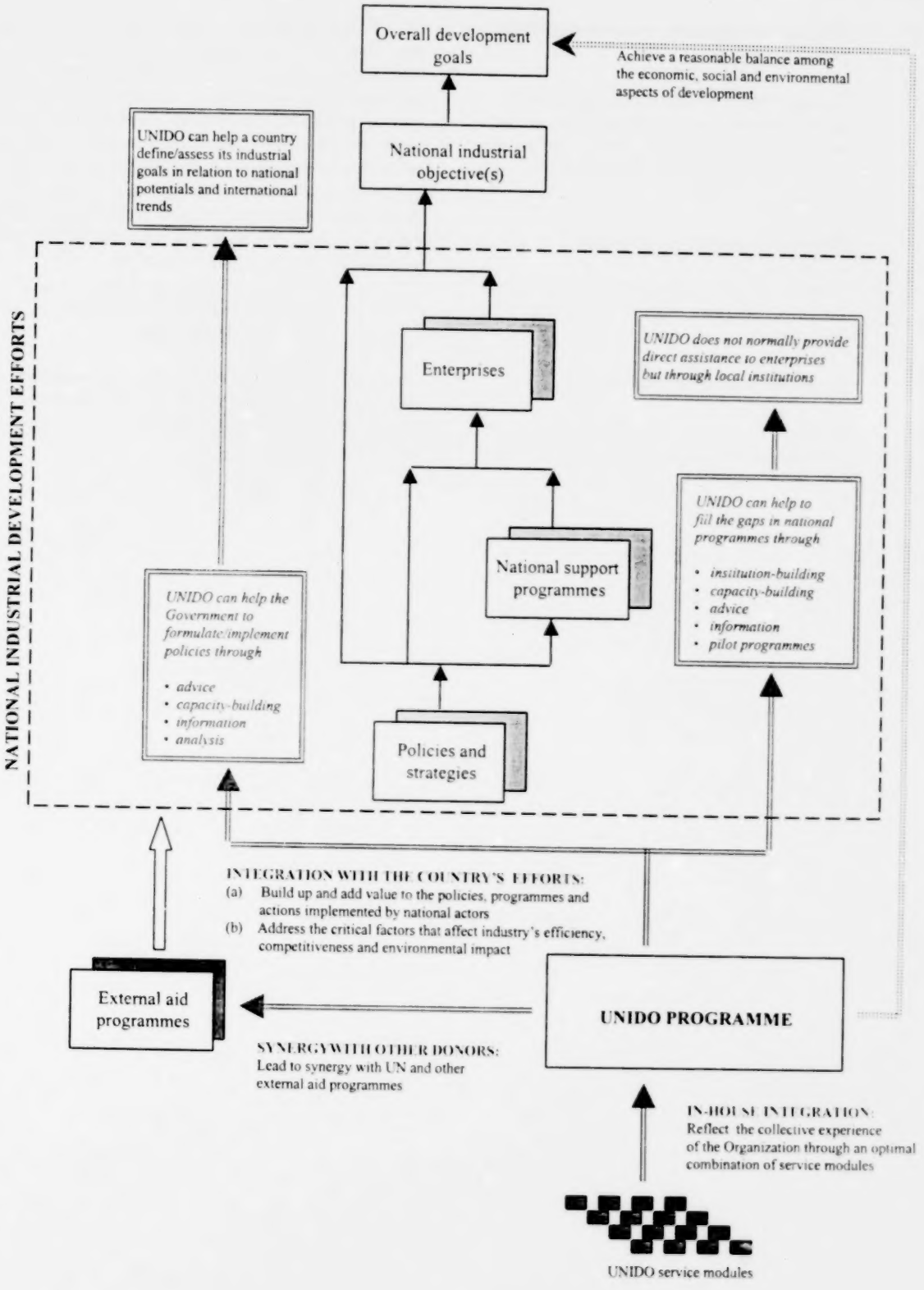
Country	*Tentative date*	*Country*	*Tentative date*
Armenia	07-14 May	Mozambique	19-30 April
Bolivia	01-08 May	Russian Federation	
Colombia	01-08 May	- Bashkortostan	09-16 May
Côte d'Ivoire	10-15 May	- Moscow	26-30 April
Cuba	17-30 June	- St. Petersburg	10-16 May
Ethiopia	17-30 June	Senegal	19-23 April
Ghana	19-27 April	Sri Lanka	19-25 April
Honduras	02-08 May	Yemen	24-29 April
Iran	24 April-2 May		

13. UNIDO programming missions are planned for the second half of the year starting in July for another group of approximately 20 countries.

14. The sum total of identified country priorities to be addressed, programme objectives and components and services to be provided will effectively represent the core of UNIDO's programmatic framework for 1999 and beyond.

15. Since the Secretariat is currently engaged in planning and finalizing the integrated programmes, it will provide to the twenty-first session of the Board a comprehensive analysis providing a detailed picture of the current

HOW UNIDO SUPPORTS A COUNTRY'S INDUSTRIAL DEVELOPMENT EFFORTS


Overall development goals
Achieve a reasonable balance among the economic, social and environmental aspects of development
UNIDO can help a country define/assess its industrial goals in relation to national potentials and international trends
National industrial objective(s)
NATIONAL INDUSTRIAL DEVELOPMENT EFFORTS
Enterprises
UNIDO does not normally provide direct assistance to enterprises but through local institutions
UNIDO can help to fill the gaps in national programmes through
• institution-building
• capacity-building
• advice
• information
• pilot programmes
National support programmes
UNIDO can help the Government to formulate/implement policies through
• advice
• capacity-building
• information
• analysis
Policies and strategies
INTEGRATION WITH THE COUNTRY'S EFFORTS:
(a) Build up and add value to the policies, programmes and actions implemented by national actors
(b) Address the critical factors that affect industry's efficiency, competitiveness and environmental impact
External aid programmes
UNIDO PROGRAMME
SYNERGY WITH OTHER DONORS:
Lead to synergy with UN and other external aid programmes
IN-HOUSE INTEGRATION:
Reflect the collective experience of the Organization through an optimal combination of service modules
UNIDO service modules

status of UNIDO's evolving programme framework. The report will provide the following information:

- **Programmes approved and under implementation**

  A matrix with information on and analysis of country priorities being addressed, programme objectives, planned and actual programme services provided, funds obtained, funding still required.

- **Programmes under development**

  A matrix providing information on the country, identified priorities, and the time frame for finalization.

- **Organizational units involved**

  A matrix providing information on the units involved in cross-organizational country teams developing and implementing the integrated programmes.

16. Following the instructions of the Director-General, sets of performance indicators will be applied to all UNIDO programmes. The teams of the programmes under implementation have started to develop programme-specific performance indicators. These indicators could cover groups of demonstration enterprises, industrial subsectors or institutional capacity-building. For instance, indicators such as manufacturing value-added, productivity, total output, exports and employment will be developed. The results of this exercise will be made available to Member States.

ACTION REQUIRED OF THE COMMITTEE

17. The Committee may wish to consider the information provided in the present document and make appropriate recommendations to the Industrial Development Board.

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Item 3 of the provisional agenda

REPORT OF THE PROGRAMME AND BUDGET COMMITTEE ON THE WORK OF ITS FIFTEENTH SESSION

(14-16 April 1999)

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Introduction

1. The Programme and Budget Committee held its fifteenth session at UNIDO Headquarters, Vienna International Centre, from 14 to 16 April 1999. All 27 Members of the Committee participated in the session: Argentina, Brazil, China, Côte d'Ivoire, Denmark, Ecuador, Egypt, France, Germany, Islamic Republic of Iran, Italy, Japan, Mexico, Netherlands, Nigeria, Pakistan, Poland, Russian Federation, Rwanda, Saudi Arabia, Slovakia, Sri Lanka, Sudan, Switzerland, Tunisia, Turkey and United Kingdom of Great Britain and Northern Ireland.

2. The following 61 Members of UNIDO also attended the session: Algeria, Angola, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bolivia, Bulgaria, Burkina Faso, Colombia, Costa Rica, Croatia, Cuba, Czech Republic, Democratic People's Republic of Korea, Ethiopia, Finland, Gambia, Georgia, Greece, Guatemala, Hungary, India, Indonesia, Ireland, Israel, Jordan, Kazakhstan, Kenya, Kuwait, Kyrgyzstan, Lebanon, Libyan Arab Jamahiriya, Luxembourg, Malaysia, Morocco, Namibia, New Zealand, Norway, Oman, Panama, Peru, Philippines, Portugal, Republic of Korea, Republic of Moldova, Romania, Slovenia, Spain, Sweden, Thailand, The former Yugoslav Republic of Macedonia, Ukraine, United Arab Emirates, Uruguay, Uzbekistan, Venezuela, Viet Nam, Yemen and Zimbabwe.

3. The following organizations were represented: United Nations Office at Vienna, Food and Agriculture Organization of the United Nations, International Atomic Energy Agency, World Health Organization, European Commission, INFOPECHE, International Centre for Genetic Engineering and Biotechnology, International Organization for Migration, League of Arab States and Organization of African Unity.

4. In accordance with rule 17 of its rules of procedure, the Committee elected by acclamation Mr. A. Nemcsicsy (Slovakia) as Chairman; Mr. B. Figueroa (Mexico), Mr. A. A. Anopuechi (Nigeria) and Mr. C. Poolokasingham (Sri Lanka) as Vice-Chairmen; and Mr. N. Ito (Japan) as Rapporteur.

5. The agenda for the fifteenth session as adopted by the Committee is contained in document PBC.15/1. Following the adoption of the agenda, the Director-General made an introductory statement that was duly taken into account by the Committee in the consideration of the relevant agenda items.

6. On 16 April, after consideration of a draft conclusion on *adoption of the agenda* submitted by the Chairman (PBC.15/L.7), the Committee adopted the following conclusion:

Conclusion 99/1

The Programme and Budget Committee, in accordance with rule 13, decided to add an item entitled "Implications of the euro for UNIDO" to the agenda of its fifteenth session, to be the sole item of discussion at a resumed session on 23 June 1999.

7. The report of the Programme and Budget Committee is submitted to the Industrial Development Board in accordance with Article 10.4 (d) of the Constitution.

8. The report contains the conclusions reached by the Committee. Annex I to the present report contains statements made in connection with the adoption of conclusions of the Committee and annex II contains a list of documents submitted to the Committee at its current session.

9. The following conclusions of the Committee contain recommendations that call for action by the Board at its twenty-first session or are of relevance to the work of that session:

Conclusion	Subject
99/3	Financial situation of UNIDO
99/4	Programme and Budgets, 2000-2001
99/5	Scale of assessments for apportionment of the regular budget expenses
99/6	Working Capital Fund for the biennium 2000-2001
99/7	Industrial Development Fund
99/8	Proposals for the appointment of an external auditor

I. ORGANIZATIONAL MATTERS

10. On 14 April, the Committee considered a proposal by the Chairman to optimize the *utilization of available conference-servicing resources* and adopted the following conclusion:

Conclusion 99/2

The Committee, with the aim of utilizing the available conference-servicing resources to the maximum extent possible, decided to suspend with immediate effect rule 24 of its rules of procedure relating to the quorum, for the meetings of its fifteenth session only, provided no substantive decisions were taken at those meetings.

11. The Committee also decided to set up informal in-session consultations with the aim of facilitating the drafting of conclusions and entrusted Mr. C. Poolokasingham (Sri Lanka) (Vice-Chairman) to chair those consultations.

II. FINANCIAL SITUATION OF UNIDO: (a) INTERIM FINANCIAL PERFORMANCE REPORT AND PROGRAMME PERFORMANCE REPORT FOR THE BIENNIUM 1998-1999; (b) COST-SHARING ISSUES WITH VIC-BASED ORGANIZATIONS (item 3)

12. On 14 April, the Committee considered a report by the Director-General as well as a note by the Secretariat on the financial situation of UNIDO (PBC.15/4-IDB.21/4, PBC.15/CRP.4), the submission by the Director-General on the interim financial performance report for the biennium 1998-1999 (PBC.15/9-IDB.21/9), the Annual Report of UNIDO 1998 (including the interim programme performance report for the biennium 1998-1999 (PBC.15/10-IDB.21/10, PBC.15/11-IDB.21/11, PBC.15/12-IDB.21/12)), a note by the Secretariat on performance indicators (PBC.15/CRP.3), and a report by the Director-General on cost-sharing issues with VIC-based organizations (PBC.15/5-IDB.21/5).

13. On 16 April, after consideration of a draft conclusion on the *financial situation of UNIDO* submitted by the Chairman (PBC.15/L.2), the Committee adopted the following conclusion:

Conclusion 99/3

The Programme and Budget Committee recommended to the Industrial Development Board the adoption of the following draft decision:

"The Industrial Development Board:

"(a) Takes note of the report on the financial situation of UNIDO (PBC.15/4-IDB.21/4), and updated in document PBC.15/CRP.4;

(b) Recommends that the General Conference, notwithstanding financial regulation 5.2(b), authorize the Director-General to distribute the interest income earned in excess of the budgetary estimates for 1999, if any, to eligible Member States in accordance with the incentive mechanism ("S" curve) described in paragraphs 9

to 13 of document PBC.15/4-IDB.21/4, or to utilize those funds for purposes specified by the above-mentioned Member States;

"(c) Urges those Member States that have not yet paid their assessed contributions, including advances to the Working Capital Fund, and prior years' arrears, to do so without delay;

"(d) Requests the Director-General to pursue his efforts and contacts with Member States to effect the collection of arrears and to include information thereon in his report to the sixteenth session of the Committee."

III. PROGRAMME AND BUDGETS, 2000-2001: (a) SCALE OF ASSESSMENTS FOR APPORTIONMENT OF THE REGULAR BUDGET EXPENSES; (b) WORKING CAPITAL FUND FOR THE BIENNIUM 2000-2001 (item 4); MEDIUM-TERM PROGRAMME FRAMEWORK, 2000-2003 (item 5)

14. On 14 and 15 April, the Committee considered the proposals of the Director-General for the programme and budgets, 2000-2001 (PBC.15/7-IDB.21/7), a note by the Secretariat on the scale of assessments for the fiscal period 2000-2001 (PBC.15/3-IDB.21/3), proposals by the Director-General for the Working Capital Fund for the biennium 2000-2001 (PBC.15/2-IDB.21/2), and the proposals of the Director-General for the medium-term framework, 2000-2003 (PBC.15/13-IDB.21/13).

15. On 16 April, after consideration of a draft conclusion on the *programme and budgets, 2000-2001* submitted by the Chairman (PBC.15/L.8), the Committee adopted the following conclusion:

Conclusion 99/4

The Programme and Budget Committee:

(a) Took note of the proposals of the Director-General for the programme of work for the 2000-2001 biennium and the corresponding total resource requirements by major programme to be financed from the regular and operational budgets as contained in document IDB.21/7-PBC.15/7;

(b) Noted that the exchange rate applied to those estimates was US$ 1 = AS 12.90 for the regular and operational budgets;

(c) Recommended to the Industrial Development Board to positively consider the programme and budgets for 2000-2001 as contained in document IDB.21/7-PBC.15/7;

(d) Requested the Director-General to further examine the possibility of further savings in the proposed budgets.

16. On 16 April, after consideration of a draft conclusion on *the scale of assessments for the fiscal period 2000-2001* submitted by the Chairman (PBC.15/L.3), the Committee adopted the following conclusion:

Conclusion 99/5

The Programme and Budget Committee recommended to the Industrial Development Board the adoption of the following draft decision:

"The Industrial Development Board:

"(a) Takes note of document IDB.21/3-PBC.15/3;

"(b) Recommends to the General Conference the establishment of a scale of assessments for the fiscal period 2000-2001 based on the General Assembly resolution 52/215, adjusted to the membership of UNIDO as contained in the annex to document IDB.21/3-PBC.15/3, on the understanding that new Members shall be assessed for the year in which they become Members on the basis of the United Nations scale of assessments, as applicable to UNIDO;

(c) Urges Member States to pay their assessed contributions for the 2000-2001 biennium in accordance with financial regulation 5.5(b)."

17. On 16 April, after consideration of a draft conclusion on the *Working Capital Fund for the biennium 2000-2001* submitted by the Chairman (PBC.15/L.4), the Committee adopted the following conclusion:

Conclusion 99/6

The Programme and Budget Committee recommended to the Industrial Development Board the adoption of the following draft decision:

"The Industrial Development Board:

"(a) Takes note of document PBC.15/2-IDB.21/2;

"(b) Also takes note with satisfaction that, despite financial difficulties, the Director-General has replenished the Working Capital Fund to its established level;

"(c) Recommends to the General Conference that the level of the Working Capital Fund and the authorized purposes of the Fund for the 2000-2001 biennium remain the same as for the 1998-1999 biennium;

"(d) Urges Member States in arrears to pay their outstanding assessed contributions as soon as possible to minimize the need to withdraw sums to meet shortfalls in the payment of assessed contributions."

IV. INDUSTRIAL DEVELOPMENT FUND AND OTHER VOLUNTARY CONTRIBUTIONS (item 6)

18. On 15 April, the Committee considered a report by the Director-General on the Industrial Development Fund and other voluntary contributions (PBC.15/8-IDB.21/8), information on the nature of projects financed from the Industrial Development Fund, contained in the Annual Report of UNIDO 1998 (PBC.15/11-IDB.21/11, appendix B), information on the nature of projects financed from third party and self-financed trust funds, contained in the Annual Report of UNIDO 1998 (PBC.15/11-IDB.21/11, appendix C) and lists of projects approved under the Industrial Development Fund in 1998 (PBC.15/CRP.1).

19. On 16 April, after consideration of a draft conclusion on the *Industrial Development Fund* submitted by the Chairman (PBC.15/L.5), the Committee adopted the following conclusion:

Conclusion 99/7

The Programme and Budget Committee recommended to the Industrial Development Board the adoption of the following draft decision:

"The Industrial Development Board:

"(a) Takes note of the information contained in document PBC.15/8-IDB.21/8;

"(b) Welcomes the initiative of the Director-General to identify innovative modalities for the mobilization of extrabudgetary resources;

"(c) Requests the Director-General to attach high priority to activities of the UNIDO Secretariat aimed at mobilizing extrabudgetary resources for high-priority projects;

"(d) Decides to delegate to the Director-General the authority to approve projects for financing under the Industrial Development Fund in 2000 and 2001 in accordance with the information contained in that document;

"(e) Encourages Member States and other donors to increase their voluntary contributions to UNIDO, and specifically to the Industrial Development Fund;

"(f) Also encourages donors to contribute programmable funds, specifically to enable UNIDO to implement the new approach as called for in the Business Plan, based on the service modules and integrated programmes referred to in chapter II of document PBC.15/8-IDB.21/8;

"(g) Further encourages Member States to cooperate with UNIDO also in respect of bilateral sources of funds at the country level, specially for co-funding the integrated programmes;

"(h) Encourages Governments of recipient countries to work more closely with UNIDO in mobilizing funds for jointly-identified high-priority projects from sources available to them;

"(i) Expresses its appreciation for the efforts of those recipient Governments that are sharing in the cost of UNIDO activities and calls on Governments of other countries to consider doing likewise."

V. PROPOSALS FOR THE APPOINTMENT OF AN EXTERNAL AUDITOR (item 7)

20. On 15 April, the Committee considered a report by the Director-General on candidatures for the appointment of an External Auditor (PBC.15/6-IDB.21/6, PBC.15/CRP.2).

21. On 16 April, after consideration of a draft conclusion on *proposals for the appointment of an External Auditor* proposed orally by the Chairman, the Committee adopted the following conclusion:

Conclusion 99/8

The Programme and Budget Committee:

(a) Took note of the information contained in documents PBC.15/6-IDB.21/6 and

PBC.15/CRP.2 concerning recommendations for the appointment of an external auditor;

(b) Recommended that the Industrial Development Board propose to the General Conference the appointment of an external auditor for UNIDO for a period of two years beginning on 1 July 2000, under the terms of reference specified in the Financial Regulations of UNIDO.

VI. DATE OF THE SIXTEENTH SESSION (item 8)

22. On 16 April, the Committee adopted the following conclusion:

Conclusion 99/9

The Programme and Budget Committee:

(a) Recalled its conclusion 94/13;

(b) Decided to hold its sixteenth session from 6 to 7 September 2000.

VII. ADOPTION OF THE REPORT (item 9)

23. On 16 April, the Committee adopted the draft report of its fifteenth session (PBC.15/L.1) on the understanding that the Rapporteur would be entrusted with the task of finalizing the report.

VIII. SUSPENSION OF THE SESSION

24. On 16 April at 12.45 p.m. the fifteenth session of the Committee was suspended, to be resumed for one half day on 23 June 1999 for the consideration of the agenda item "Implications of the euro for UNIDO" only (see conclusion 99/1).

Annex I

STATEMENTS BY DELEGATIONS

1. The present annex contains statements made in connection with the adoption of conclusions of the Programme and Budget Committee; these statements have been included at the request of the delegations concerned and agreed to by the Chairman.

Agenda item 3

The representative of **Egypt**, supported by the representative of Turkey, said that there was concern by a certain State over the conclusion by the Organization of technical cooperation project agreements with a State that was not at present a member of the Organization.

The representative of the **Russian Federation** said that membership in UNIDO is not a precondition for provision by the Organization of technical assistance to any sovereign State. That concept followed from the provisions of the Constitution of UNIDO, which states: "The Organization shall also promote industrial development and cooperation on global, regional and national, as well as on sectoral levels". Thus, there were no limitations to govern the provision of assistance to any country on the basis of membership or non-membership in the Organization.

The representative also said that the provisions of resolution 30 March 1993 of the special session of the UNIDO General Conference (GC./S.1/Res.1) did not establish any limitations with regard to participation by the Federal Republic of Yugoslavia in the principal and subsidiary organs of UNIDO, and that no other decisions had since been adopted on that matter.

The representative of **Japan** said that it reserved the right to state its position in future, if necessary.

Agenda item 4

The representative of **Germany** said that he felt some special responsibility for the text of the draft conclusion on agenda item 4 (PBC.15/L.8) because he had announced in the informal consultation the results of the drafting exercise in which representatives of all the regional groups, in particular of the Group of 77, had participated. He said that he would not address the content of subparagraph (b), which is a question for the Secretariat, but would like to highlight the ideas behind subparagraphs (c) and (d).

First, the representative said, the group had been guided in the drafting by the wish to arrive at a consensus text on the matter. Second, it was clear that, to accommodate the concerns of the Japanese delegation, more time would be needed for further examination of the budget. Third, also to accommodate the Japanese concern, but at the same time to express a common view on the programme and budget proposals, expression was made that the Programme and Budget Committee should not just take note of those proposals but rather recommend to the Industrial Development Board that it should positively consider the proposals.

He said that it had been the feeling during the consideration of the proposals that the general outline of the budget and its approach as well as the priorities set therein had been appropriately outlined by the Secretariat. However, if the proposals were not adopted at the present session, there should be an expression by the Committee that the proposals made by the Secretariat were welcomed and generally supported. In terms of the further time needed and further examination of possible savings—an issue on which everyone agreed—the representative said that that should be an undertaking by the Director-General. However, it was also the general understanding (which was also the understanding of the European Union) that the exercise to determine further savings should not rest exclusively on the shoulders of the Secretariat, but that such an examination should be conducted in close consultation with Member States. Such an examination should not be aimed at across-the-board savings, but should be guided rather by setting priorities and determining where reasonable savings can be found.

The representative of Germany concluded that, in light of those comments, members of the Committee might be prepared to adopt the text contained in the draft conclusion without any reservations.

The representative of **Sudan** said that the Secretariat had played an important role in carrying out reforms. The decision to postpone a ruling on the draft programme and budgets gave an inadequate or possibly negative signal. Having wished, for several reasons, not to hinder a consensus, his delegation would, nevertheless like to emphasize the reform already taken place, as it requires political support from all Member States to produce the desired results and to enable the Organization to proceed in the new framework that the Member States had chosen for it.

Annex II

LIST OF DOCUMENTS SUBMITTED TO THE FIFTEENTH SESSION

Symbol	*Agenda item*	*Title*
PBC.15/1	2	Provisional agenda
PBC.15/1/Add.1	2	Annotated provisional agenda
PBC.15/2-IDB.21/2	4 (b)	Working Capital Fund for the biennium 2000-2001. Proposals by the Director-General
PBC.15/3-IDB.21/3	4 (a)	Scale of assessments for the fiscal period 2000-2001. Note by the Secretariat
PBC.15/4-IDB.21/4	3	Financial situation of UNIDO. Report by the Director-General
PBC.15/5-IDB.21/5	3 (b)	Cost-sharing issues with VIC-based organizations. Report by the Director-General
PBC.15/6-IDB.21/6	7	Candidatures for the appointment of an External Auditor. Report by the Director-General
PBC.15/7-IDB.21/7	4	Programme and budgets, 2000-2001. Proposals of the Director-General
PBC.15/8-IDB.21/8	6	Industrial Development Fund and other voluntary contributions. Report by the Director-General
PBC.15/9-IDB.21/9	3 (a)	Interim financial performance report for the biennium 1998-1999. Submitted by the Director-General
PBC.15/10-IDB.21/10	3 (a)	Annual Report of UNIDO 1998
PBC.15/11-IDB.12/11	3 (a)	Annual Report of UNIDO 1998. Programme performance report. Operational statistics and other appendices
PBC.15/12-IDB.21/12	3 (a)	Annual Report of UNIDO 1998. Programme performance report. List of technical cooperation projects
PBC.15/13-IDB.21/13	5	Medium-term programme framework, 2000-2003. Proposals of the Director-General
		* * * * *
PBC.15/CRP.1	6	Lists of projects approved under the Industrial Development Fund in 1998. Prepared by the Secretariat
PBC.15/CRP.2	7	Candidatures for the appointment of an External Auditor. Note by the Secretariat
PBC.15/CRP.3	3 (a)	Performance indicators. Note by the Secretariat
PBC.15/CRP.4-IDB.21/CRP.1	3	Financial situation of UNIDO. Note by the Secretariat
PBC.15/CRP.5	2	List of documents
PBC.15/CRP.6	-	List of participants

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Agenda item 4

REPORT OF THE PROGRAMME AND BUDGET COMMITTEE ON THE WORK OF ITS FIFTEENTH SESSION

Addendum

Resumed fifteenth session
(23 June 1999)

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V.99-85399 (E)

Introduction

1. The Programme and Budget Committee held its resumed fifteenth session at UNIDO Headquarters, Vienna International Centre, for one-half day on 23 June 1999, under the chairmanship of Mr. A. Némethy (Slovakia).

2. In accordance with its conclusion 99/1, the Committee took up a new agenda item, Implications of the euro for UNIDO.

3. The following 26 of the 27 Members of the Committee participated in the session:

Argentina, Brazil, China, Côte d'Ivoire, Denmark, Ecuador, Egypt, France, Germany, Iran (Islamic Republic of), Italy, Japan, Mexico, Netherlands, Nigeria, Pakistan, Poland, Russian Federation, Saudi Arabia, Slovakia, Sri Lanka, Sudan, Switzerland, Tunisia, Turkey, United Kingdom of Great Britain and Northern Ireland

4. The following 69 Members of UNIDO also attended the session:

Algeria, Angola, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bolivia, Bulgaria, Burkina Faso, Chile, Colombia, Costa Rica, Croatia, Cuba, Cyprus, Czech Republic, Democratic People's Republic of Korea, Ethiopia, Finland, Gabon, Gambia, Georgia, Ghana, Greece, Guatemala, Guinea-Bissau, Hungary, India, Indonesia, Iraq, Ireland, Jordan, Kazakhstan, Kenya, Kuwait, Kyrgyzstan, Lebanon, Lesotho, Libyan Arab Jamahiriya, Luxembourg, Madagascar, Malaysia, Malta, Morocco, Mozambique, Namibia, New Zealand, Norway, Oman, Panama, Peru, Philippines, Portugal, Republic of Korea, Romania, Sierra Leone, Slovenia, Spain, Sweden, Thailand, The former Yugoslav Republic of Macedonia, Ukraine, United Arab Emirates, Uruguay, Uzbekistan, Venezuela, Viet Nam and Zimbabwe

5. The following organizations were represented:

European Commission, Food and Agriculture Organization of the United Nations, Gulf Organization for Industrial Consulting, International Atomic Energy Agency, International Centre for Genetic Engineering and Biotechnology, International Institute of Refrigeration, International Organization for Migration, League of Arab States, Organisation internationale de la Francophonie, United Nations Development Programme, United Nations Educational, Scientific and Cultural Organization, United Nations Office at Vienna, World Health Organization

6. The agenda for the resumed fifteenth session is contained in document PBC.15/14.

7. The report of the resumed session of the Programme and Budget Committee is submitted to the Industrial Development Board in accordance with Article 10.4 (d) of the Constitution.

8. The report contains the conclusion reached by the Committee. Annex I to the present report contains a proposed draft decision submitted by Japan. Annex II contains a list of documents submitted to the Committee at its current resumed session.

9. Conclusion 99/10 was brought to the attention of the Board at its twenty-first session.

I. IMPLICATIONS OF THE EURO FOR UNIDO

10. On 23 June, the Committee considered a note by the Secretariat on implications of the euro for UNIDO that contained a memorandum on that subject submitted by the European Union (PBC.15/15-IDB.21/29).

11. On 23 June, the Committee considered a draft conclusion read out by the Chairman and adopted conclusion 99/10:

Conclusion 99/10

The Programme and Budget Committee:

(a) Took note of the information provided in document PBC.15/15-IDB.21/29 on implications of the euro for UNIDO and of the draft decision proposed by the European Union contained in paragraph 7 of the annex to that document;

(b) Also took note of the draft decision proposed by Japan that was distributed to the Committee, as reproduced in annex I to the present report, as well as the views expressed by Member States during the resumed fifteenth session;

(c) Decided to refer the matter to the Industrial Development Board at its twenty-first sesion for its consideration.

II. ADOPTION OF THE REPORT

12. On 23 June, the Committee adopted the draft report of its resumed fifteenth session (PBC.15/L.10) on the understanding that the Rapporteur would be entrusted with the task of finalizing the report.

III. CLOSURE OF THE SESSION

13. On 23 June, at 12.15 p.m., the Committee closed its fifteenth session.

Annex I

DRAFT DECISION SUBMITTED BY JAPAN

The Industrial Development Board:

(a) Takes note of the replacement of the Austrian schilling by the euro in accordance with article 3 of European Union regulation 974/98;

(b) Decides to set up an intersessional working group for the discussion of the substantive side of the adoption of a single-currency system of assessment based on the euro, for the fiscal period 2002-2003 and in future bienniums, to report to the General Conference at its eighth session;

(c) Requests the Director-General to report on the present item to the intersessional working group, including implications of the merits of simplifying procedures, risks following the fluctuations of exchange in relation to the salary of field representatives, and payment to suppliers whose settlement is made in dollars, as well as other merits and demerits;

(d) Recommends that the General Conference at its eighth session come to a decision regarding the substantive issue.

Annex II

LIST OF DOCUMENTS SUBMITTED TO THE RESUMED FIFTEENTH SESSION

Symbol	*Agenda item*	*Title*
PBC.15/14		Agenda
PBC.15/15-IDB.21/29		Implications of the euro for UNIDO

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GC.8/5
IDB.21/15
20 April 1999

United Nations Industrial Development Organization

ORIGINAL : ENGLISH

GENERAL CONFERENCE

Eighth session
Vienna, 29 November - 3 December 1999

Industrial Development Board

Twenty-first session
Vienna, 23-25 June 1999
Item 5 of the provisional agenda

INDUSTRIALIZATION OF THE LEAST DEVELOPED COUNTRIES

Report by the Director-General

Reports on the progress of implementation of General Conference resolution GC.7/Res.4, in compliance with paragraph 4 of that resolution.

Introduction

1. This document is presented in accordance with the request of the General Conference to submit to its eighth session, through the Industrial Development Board, a progress report on the implementation of resolution GC.7/Res.4. It should be considered in conjunction with the progress report on the implementation of the least developed countries (LDC) programme issued to the Board at its nineteenth session (IDB.19/8) as well as the Annual Report of UNIDO 1998 (IDB.21/10, chap. III.C, and IDB.21/11, appendix D).

I. COUNTRY-SPECIFIC ACTIVITIES

2. As a follow-up to the joint communiqué signed by the Director-General and the Minister of National Industry of Sudan (Vienna, November 1998), a UNIDO multi-disciplinary team visited Sudan in December 1998 and held intensive discussions with government authorities as well as with counterparts in the public and private sector. The result was the identification and formulation of the large-scale integrated programme for capacity-building to enhance industrial competitiveness and sustainability in Sudan, with emphasis on small and medium enterprises and agro-industries. The programme is valued at $7.09 million.

3. As an essential prerequisite to the development of integrated programmes, preparations are under way for formulation missions to a further 10 LDCs. The countries envisaged are Burundi, Ethiopia, Eritrea, Lao People's Democratic Republic, Lesotho, Mali, Mozambique, Madagascar, Togo and Yemen, for which team missions are foreseen from April to July 1999. A total of $35 to $40 million is expected to be programmed for these countries for funding by potential donors.

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4. UNIDO is awaiting official approval from the United Nations Development Programme for a preparatory assistance project for the formulation of an industrial development strategy for Lao People's Democratic Republic. This SPPD (support services for policy and programme development) project will include an industrial sector review, which could constitute a major input for the UNIDO integrated programme to be developed in June 1999 for that country.

5. In cooperation with the International Jute Organization, a new project has been developed in Bangladesh for UNIDO execution that will focus on the bio-technological application of enzymes for making pulp and paper from green jute/kenaf. Approved for financing by the Common Fund for Commodities, the European Union and the Government of France ($1.5 million), the project will lead to sustained demand for raw jute, thereby safeguarding the interests of a large number of jute farmers.

6. Implementation has just started of a project on pollution control and treatment of tannery effluents in Dhaka, Bangladesh, funded by the Government of Switzerland (over $650,000). The project aims at assisting the leather industry in reducing environmental degradation through the management of waste and chemicals, reduction of overall water consumption, and design of a common effluent treatment plant for the Hazaribagh tannery cluster, and includes an environmental impact assessment study.

7. Implementation of a project on the establishment of tannery effluent treatment facilities in Nepal, funded by the Government of Austria (over $600,000), is entering its final stage. As part of the UNIDO regional programme of pollution control in the tanning industry in South-East Asia, the project is aimed at introducing environment friendly processes to private sector tanneries.

II. REGIONAL AND GLOBAL ACTIVITIES

8. Within the framework of a regional preparatory assistance project being considered for financial approval under a special-purpose contribution to the Industrial Development Fund (IDF), a survey will be made to assess the needs of six African LDCs (Benin, Central African Republic, Chad, Mali, Niger, Togo) for investment promotion activities. Based on the results of the needs assessment, integrated programmes for each country will be prepared for further consideration under trust fund resources.

9. A training seminar is being arranged for 15 participants from eight African countries (including six LDCs) on food safety in fruit and vegetable processing in Budapest in October 1999. Financed under Hungary's voluntary contribution to IDF, the seminar will provide a complementary input to UNIDO's integrated programmes already approved for Uganda and the United Republic of Tanzania, as well as those being prepared for Ethiopia, Mozambique and Zimbabwe.

10. A regional project on the improvement of good manufacturing practices in the manufacture of essential drugs in African countries, including four LDCs (Eritrea, Ethiopia, Uganda and the United Republic of Tanzania), was recently approved under the voluntary contribution of Hungary to IDF ($76,000). The project provides a one-month study tour for production and quality assurance managers from essential drugs manufacturing enterprises and drug inspectors to a small-scale generic pharmaceutical manufacturer in Hungary.

11. UNIDO is actively involved, together with other agencies such as the Multilateral Investment Guarantee Agency, United Nations Development Programme, United Nations Office for Project Services, United Nations Economic Commission for Africa and United Nations Conference on Trade and Development, in the preparation of an Asia-Africa Business Forum to be convened in Malaysia in November 1999. The Forum will serve as a platform to enhance international partnership through investment, *inter alia*, in the industrial sector in African countries, including the 33 LDCs.

12. As a related activity, UNIDO is currently finalizing a project document on the establishment of an Asian-African investment and technology promotion centre in Malaysia, in accordance with a concept adopted by the Tokyo International Conference on African Development (TICAD-II) at Tokyo in October 1998 and announced by the Prime Minister of Japan on that occasion. Financed by Japan under a trust fund arrangement and executed by UNIDO, the project will promote and encourage private sector investment from Asia to Africa, including African LDCs. Utilizing trust funds contributed by the Government of Japan (approximately $850,000), UNIDO will play a leading role by providing relevant investment promotion information in Africa, dispatching Asian industrial specialists to Africa and holding seminars for investment promotion officers from African countries as well as Asian businessmen. As part of its activities, the centre will develop a website/database on investment and technology transfer information in Africa for dissemination to Asian countries aimed at generating investment flows to African countries.

III. ACTION REQUIRED OF THE BOARD

13. The Board may wish to take note of the information contained in the present document.

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10 May 1999

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Industrial Development Board

Twenty-first session
Vienna, 23-25 June 1999
Item 9 of the provisional agenda

PERSONNEL MATTERS

Report by the Director-General

Provides information on a range of personnel-related issues, including developments in the common system, consequent amendments to schedules and annexes to the staff regulations and amendments to the staff rules and gender issues in the Secretariat.

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V.99-83510 (E) (a:\1999\pmo 1)

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Introduction

1. The present document provides information on common system developments, women in the Secretariat, pension matters, including representation of the UNIDO governing body on the Staff Pension Committee, and the new staff career development system. It reports on consequent amendments to schedules of and annexes to the staff regulations and on amendments to the staff rules. The amendments are shown in document IDB.21/CRP.2

I. COMMON SYSTEM DEVELOPMENTS

2. At its fifty-third session the General Assembly adopted resolution 53/209 on the United Nations common system. In considering the item, the Assembly reaffirmed its commitment to a single, unified United Nations common system as the cornerstone for the regulation and coordination of conditions of service. In this respect, it reaffirmed the central role of the International Civil Service Commission (ICSC). Furthermore, the Assembly expressed its conviction that the common system constitutes the best instrument to secure staff of the highest standards of efficiency, competence and integrity for the international civil service as stipulated in the Charter of the United Nations.

3. As provided in Article 11.5 of the UNIDO Constitution, "The conditions of service of staff shall conform as far as possible to those of the United Nations common system." In accordance with that principle, staff regulation 13.3 provides that the Director-General is authorized, within the budgetary level approved by the General Conference, to make appropriate amendments to the schedules and annexes to the staff regulations so as to bring them into conformity with any relevant decisions that may be taken by the General Assembly of the United Nations on the recommendation of ICSC.

Salary scales for the Professional and higher categories—amendments to schedules I and II of the staff regulations

4. In resolution 53/209 the General Assembly recalled section I.H of resolution 44/198, by which it established a floor net salary level for staff in the Professional and higher categories by reference to the corresponding net salary levels of officials in comparable positions serving at the base city of the comparator civil service (the federal civil service of the United States of America). The Assembly approved effective 1 March 1999 a revised base scale of gross and net salaries for the Professional and higher categories and revised scales of staff assessment for staff without dependants. The base scale reflects an increase of 2.48 per cent which, according to standard procedures, is accompanied by a consequential decrease of post adjustment effective 1 March 1999. The revision is implemented on a "no loss, no gain" basis as far as salary payments are concerned. It will entail an increase in certain separation payments only, such as the repatriation grant, and the mobility and hardship allowances paid to eligible staff, as the base salary scale is used to determine these payments. The revised salary and staff assessment rates are contained in document IDB.21/CRP.2.

Dependency allowances—amendment to annex I to the staff regulations

5. The General Assembly recalled resolution 47/216 in which it noted that ICSC would review the level of dependency allowances every two years. It noted the review by ICSC of dependency allowances reflecting relevant changes in tax abatement and social legislation payments at the seven headquarters duty stations since 1996. The Assembly accordingly approved, effective 1 January 1999, an increase of 14.6 per cent in the children's allowance including that for disabled children, and in the secondary dependant's allowance.

6. The Assembly noted the updated list of hard currency duty stations for which the allowances are specified in local currency, including Austria. Accordingly, in United States dollar terms, the children's allowance was raised from $1,510 to $1,730 per year and the secondary dependant's allowance from $540 to $619 per year. For a child determined to be physically or mentally handicapped the allowance was raised from $3,020 to $3,460. In Austrian schillings, the amounts were raised from AS 24,656 to AS 28,256, from AS 9,108 to AS 10,438 and from AS 49,312 to AS 56,512. The revised amounts in US dollars are shown underlined in document IDB.21/CRP.2 and the previous amounts are shown in square brackets. The Assembly noted that these allowances should be reduced by the amount of any payments received from a Government (a provision contained in the UNIDO staff regulations) and requested ICSC to examine the methodology, rationale and scope of the allowances in the year 2000.

Annex II to the staff regulations—amounts of education grant and special education grant

7. Recalling previous resolutions (47/216, 51/216 and 52/216) on the methodology for the determination of the education grant, the General Assembly approved increases in the maximum reimbursement levels in seven currency areas and other adjustments to the reimbursement of expenses under the education grant, as contained in paragraph 190 of the ICSC report. It also took note of the Commission's decision to review the methodology in 2001. The currency areas where increases were approved are Austrian schillings, Swiss francs, German marks, British pounds sterling, Italian lire, Japanese yen and United States dollars in the United States. In other specified currency areas, including the United States

dollar for expenses incurred in educational institutions outside the United States, the maximum grant and admissible expenses remain at current levels. The relevant amendments to annex II to the staff regulations are shown in document IDB.21/CRP.2.

8. The General Assembly, reiterating the expression of its appreciation for the dedication of increasing numbers of staff who are required to work under dangerous conditions, took note of ICSC's decision to set the amount of hazard pay for internationally recruited staff at the rate of $1,000 per month, effective 1 June 1998 (the previous amount was $902).

II. WOMEN IN THE SECRETARIAT

9. A number of corrective measures are being initiated to address the low representation of women in the Secretariat, which resulted in part from cutbacks caused by repeated staff separation programmes in recent years. These have proven difficult to counteract in view of the ensuing limited recruitment. Since 1996, the representation of women in posts subject to geographical distribution has remained practically unchanged at 23 per cent, while their representation in grades P-5 and above had increased from 12.5 to 16.5 per cent by the end of the first quarter of 1999. This improvement should be seen in light of the serious depletion of the pool of women available for selection to more senior managerial positions for several years after the departure of a disproportionate number of senior women as a consequence of repeated staff separation programmes. As can be seen from the tables, the situation is far from satisfactory, particularly at the senior levels.

10. Women have been represented in recent promotion and placement exercises at the rates of 30 per cent of total Professional staff promoted and 20 per cent at P-5 and above since 1996 (table 3). Table 3 (a) shows recruitment of Professional staff from January 1998 to March 1999.

11. With the participation of Member States, a new UNIDO roster was established in early 1999 of candidates for Secretariat and field positions. Whereas the representation of women for the former type of positions remained around 23 per cent over the past four years, women now account for 30 per cent in the new roster. For field positions the increase was from 6.5 in 1998 to over 11 per cent in 1999 (table 4).

12. In order to reach by the year 2001[1] the 30 per cent target set by the UNIDO governing bodies, at least for geographical posts, approximately 45 per cent of the foreseen vacancies would need to be filled by women. Considering that 25 per cent of recruitments over the last five years were women, this is a formidable task. If achieved, it would enable the setting of further new targets in line with the efforts to achieve gender parity in the Secretariat as soon as possible, as called for by General Assembly resolution 52/96.[2]

13. To this end, affirmative action will be taken at several levels within UNIDO's improved human resources management. A career planning system will be implemented to ascertain the desired career paths of women and to identify at an early stage potential internal female candidates for higher level posts to replace colleagues in good time before their retirement or separation from the Organization. As a first step in filling any vacancy, serving women Professionals will be reviewed against all vacancies, particularly those at the senior decision-making levels in compliance with decisions by the UNIDO governing bodies. When filling forthcoming vacancies, and whenever possible, shortlists of candidates must include sufficient females, and managers will be required to formally justify non-selection of female candidates. In case of equally qualified candidates, the gender consideration will be decisive.

14. In a concerted effort to attract applications from the best qualified candidates from within and outside the Organization for the forthcoming filling of 13 vacancies at all levels in the Secretariat (including four at the D-1 and three at the P-5 levels, as shown in table 5), a recruitment campaign was launched, encouraging applications particularly from female candidates. With the concrete support of all Member States, a sustainable improvement in respect of women's representation should be possible.

15. To ensure that the institutional culture is both gender-sensitive and gender-responsive in line with the Administrative Committee on Coordination (ACC) Commitment for Action,[3] and to better monitor progress in achieving tangible improvement with regard to gender equality, a woman staff member in the Office of the Director-General has been designated as focal point for gender issues.

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[1]Decision IDB.7/Dec. 22 (9 November 1990) set targets of 25 per cent by 1993 and 30 per cent by 1995 for women's overall representation in the Secretariat.

[2]In resolution 52/96 of 12 December 1997, the General Assembly reaffirmed the goal of 50/50 gender distribution by the year 2000 in all categories of posts within the United Nations system, especially at the D-1 level and above.

[3]Statement on gender equality and mainstreaming in the work of the United Nations system, adopted by ACC at its first regular session in 1998.

III. PENSION MATTERS

16. In resolution 53/210 of 18 December 1998, the General Assembly endorsed recommendations made by the forty-eighth regular and forty-ninth special session of the United Nations Joint Staff Pension Board. By this resolution, the General Assembly, *inter alia*, approved the withdrawal from membership from the United Nations Joint Staff Pension Fund of the Interim Commission for the International Trade Organization. Furthermore, the Fund's regulations were amended to change the title and level of the post of the Secretary of the Board to "Chief Executive Officer of the United Nations Joint Staff Pension Fund". Other amendments dealt with widows' benefits, survivors' benefits for spouses and former spouses, the non-assignability of rights, and the time frame for submission of benefit instructions and resumption of participation in the Fund.

Representation of the UNIDO governing body on the UNIDO Staff Pension Committee

17. The UNIDO Staff Pension Committee established by the General Conference (GC.1/Dec.37) held six meetings (in seven sessions) in the course of 1998 and one meeting during the period January to March 1999.

18. The following representatives of the General Conference, who, by decisions GC.7/Dec.20 and IDB.19/Dec.7, were elected for the biennium 1998-1999, presently hold office for a term ending 31 December 1999:

Members:	Ms. Margit Bruck-Friedrich (Austria)
	Mr. Abubakr Salih Nur (Sudan)
Alternate members:	Mr. Janos Pogany (Hungary)
	Mr. Michel Katra (Lebanon)

19. Ms. Bruck-Friedrich, who had served on the Committee since 1998, left the Permanent Mission of Austria on 3 March 1999 and thus the post of one member is vacant. Mr. Katra, who had served as an alternate member since 1998, is currently on assignment outside Vienna. In subparagraph (b) of decision GC.7/Dec.20 the General Conference "authorized the Industrial Development Board to proceed with the election for any of the above-mentioned posts which might become vacant before the General Conference holds its eighth session." Accordingly, the Board may wish to proceed with the election for these posts.

20. The General Conference, at its eighth session, will be invited to elect two members and two alternate members as its representatives for the following two-year term in office ending December 2001. In considering its recommendation of candidates to the Conference, the Board—in the interest of continuity—may wish to recommend at least one person who has served previously on the Committee as a member or alternate member.

IV. STAFF CAREER DEVELOPMENT SYSTEM

21. A new system outlined in Director-General's Administrative Instruction No. 10 dated 6 November 1998 is being gradually introduced, covering the major aspects of the career of staff members. The six components of the system cover:

(a) **Staff planning**, to provide a complete set of management information on qualitative and quantitative staffing requirements of the Organization and also to enable individual staff members to evaluate and determine career paths.

(b) **Selection procedures** for recruitment and promotion, introducing transparent and competitive procedures to facilitate selection of the best qualified candidates for all categories (General Service, Professional and Director). All posts in all categories are now advertised and posted on the UNIDO Internet website. Candidates are screened by the Human Resource Management Branch and by the technical divisions. Subsequently, submissions from divisions, including all shortlisted candidates, are submitted to selection panels, one for each category of staff, for review and recommendation to the Director-General.

(c) **Appointment and extension of appointment policy**, applicable to all staff currently covered by the 100 series of staff rules, providing for an initial appointment of three years, with the first year probationary for General Service and Professional staff with a possible subsequent extension of three years. After six years of service a thorough assessment of the staff member's services is made, together with a review of the Organization's needs for the functions concerned, and a decision is made either to separate or further extend the appointment.

For staff at D-1 level, the same principle applies, except that the duration of the fixed-term appointment and extensions is two years at a time. For D-2 staff, the overall limit of the fixed-term appointment(s) cannot exceed by more than six months the Director-General's term of office.

A proposal introducing a new open-ended "indefinite appointment", to replace the current permanent appointment which is no longer granted, has been formulated and is under discussion both internally and with Member States.

(d) **Performance appraisal system** is applicable to all staff in all categories and is closely linked to the Organization's programme objectives and delivery of the

service modules and integrated programmes. It includes clearly-defined goals and objectives, performance indicators and assessment of individual competencies.

(e) **Staff development and training**. From information available concerning the Organization's manpower needs, and from the identification of training needs included in the performance appraisal system, a staff development and training programme will be set up.

(f) **Rotation and mobility programme**. Based on the statutory authority of the Director-General to assign staff to any of the activities or offices of the Organization, this programme will encourage staff to acquire comprehensive Headquarters and field experience which will optimize their capacity for delivering the programmes. The number of posts to be established in the field should permit a rotation of approximately 25 per cent of staff during a two-to-four-year cycle.

V. MATTERS RELATED TO THE STAFF RULES

22. **Appendix A to the staff rules**. Staff regulation 6.5 (a) provides that "The Director-General shall fix the salary scales for staff in the General Service and related categories, normally on the basis of the best prevailing conditions of employment in the locality, taking into account the recommendations of the International Civil Service Commission." Based on the approved ICSC methodology, which takes account of changes in the consumer price and wages indices over a period of 12 months, and in consultation with the other Vienna-based organizations, the Director-General implemented an interim adjustment of the salary scales for General Service staff of 1.2 per cent effective 1 April 1998. This scale applies to a limited number of staff recruited on or after 1 October 1996. The revised scale is contained in document IDB.21/CRP.2.

23. **Appendix C to the staff rules**. In accordance with article 54 (b) of the regulations of the United Nations Joint Staff Pension Fund, the scale of pensionable remuneration should be adjusted on the same date as the net remuneration amounts of officials in the Professional and higher categories in New York. ICSC promulgated a revised scale of pensionable remuneration effective 1 November 1998. The revised appendix C to the staff rules is contained in document IDB.21/CRP.2.

24. **Appendix E to the staff rules**. Appendix E to the staff rules, showing the revised amounts for education grant and special education grant as reported in paragraph 7 above, is contained in document IDB.21/CRP.2.

25. **Financial implications**. The financial implications of the adjustments related to salary, allowances and pensionable remuneration as reported above amount to $303,933 until the end of the biennium and can be absorbed within the staff cost allocations contained in the programme and budgets, 1998-1999.

26. **Official holidays**. Following General Assembly resolution 52/214 A on the observance of Id al-Fitr and Id al-Adha as official holidays of the United Nations and after consultations with the Vienna-based organizations and staff representatives, the Director-General approved the increase of the total number of official holidays from nine to ten. The relevant amendments to staff rules 104.02 and 204.01 are contained in document IDB.21/CRP.2.

27. **Group life insurance**. Staff rule 208.02, which provided for mandatory participation in group life insurance for project personnel, was cancelled effective 1 January 1999, making participation optional and without subsidy. This change, which followed General Assembly resolution 52/219, is shown in document IDB.21/CRP.2.

28. **Appointment and Promotion Board—staff rule 103.12**. Following the promulgation of the new staff career development system reported above, staff rule 103.12 was amended to reflect the new provisions. The revised and previous rule 103.12 is contained in document IDB.21/CRP.2.

29. **Home leave—Appendix F to the staff rules**. Following a review of the conditions for granting home leave travel to eligible family members, the requirement for staff members and their families to travel together on home leave was abolished. Subject to their entitlement, staff members and eligible family members are now able to travel on separate home leave travel or otherwise according to their convenience. Paragraph (i) of appendix F to the staff rules was cancelled and the following paragraphs renumbered. The revised section of appendix F is contained in document IDB.21/CRP.2.

VI. ACTION REQUIRED OF THE BOARD

30. The Board may wish to consider the adoption of the following draft decision:

"The Industrial Development Board,

"(a) Takes note of the information contained in document IDB.21/16;

"(b) Notes the amendments made in pursuance of staff regulation 13.3 to schedules I and III and annexes I and II to the staff regulations in order to bring them into conformity with the decisions of the General Assembly set out in resolution 53/209;

"(c) Also notes the amendments to appendices A, C, E and F to the staff rules as well as to staff rules 104.02, 204.01, 208.02 and 103.12;

"(d) In accordance with General Conference decision GC.7/Dec.20 (b), elects: ..... (country) as a member to fill the vacant post of the UNIDO Staff Pension Committee for the remainder of the term ending December 1999;

"(e) Recommends to the General Conference the following candidates for the election of two members and two alternate members of the UNIDO Staff Pension Committee for the biennium 2000-2001:

Members: ..... (country)
..... (country)

Alternate ..... (country)
members: ..... (country)."

Table 1

Composition of Professional staff subject to geographical distribution, December 1994 through December 1998 and March 1999

	Male						Female					
Grade	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**
D-2	6	4	4	5	6	5	2	2	0	0	0	0
D-1	22	22	22	24	22	21	0	0	0	0	0	0
P-5	68	73	58	58	49	45	10	13	12	13	14	14
Subtotal	**96**	**99**	**84**	**87**	**77**	**71**	**12**	**15**	**12**	**13**	**14**	**14**
Per cent	88.9	86.8	87.5	87.0	84.6	83.5	11.1	13.2	12.5	13.0	15.4	16.5
P-4	95	94	88	89	78	78	25	25	21	17	12	12
P-3	35	37	38	32	25	24	22	20	19	25	20	19
P-2	12	12	10	6	4	4	18	19	14	8	8	8
Subtotal	**142**	**143**	**136**	**127**	**107**	**106**	**65**	**64**	**54**	**50**	**40**	**39**
Per cent	68.6	69.1	71.6	71.8	72.8	73.1	31.4	30.9	28.4	28.2	27.2	26.9
Total	**238**	**242**	**220**	**214**	**184**	**177**	**77**	**79**	**66**	**63**	**54**	**53**
Per cent	75.6	75.4	76.9	77.3	77.3	77.0	24.4	24.6	23.1	22.7	22.7	23.0

Table 2

Composition of Professional staff (Headquarters and field), March 1999

Grade	Male	%	Female	%	Total
D-2/L-7	6	100	0	0	6
D-1/L-6	35	100	0	0	35
P-5/L-5	60	80	15	20	75
Subtotal	**101**	**87**	**15**	**13**	**116**
National Officers	8	0	0	0	8
P-4/L-4	81	86	13	14	94
P-3/L-2	28	58	20	42	48
P-2/1/L-2/1	8	42	11	58	19
Subtotal	**125**	**74**	**44**	**26**	**169**
Total	**226**	**79**	**59**	**21**	**285**

Table 3

Placement and promotion of Professional staff since 1996

Total Professional staff promoted					Professional staff promoted to P-5 and above				
Female	%	Male	%	Total	Female	%	Male	%	Total
16	30	37	70	53	5	20	20	80	25

Table 3 (a)

Recruitment of Professional staff, January 1998 to March 1999[a]

Total Professional staff recruited					Professional staff recruited at P-5/L-5 and above				
Female	%	Male	%	Total	Female	%	Male	%	Total
3	21	11	79	14	1	10	9	90	10

[a]Recruited under 200 series of staff rules.

Table 4

Female candidates on roster, January 1995 to March 1999
(Per cent)

	1995	1996	1997	1998	1999
Secretariat	22.6	22.0	22.7	23.0	30.1
Technical cooperation	5.3	5.7	5.9	6.5	11.2

Table 5

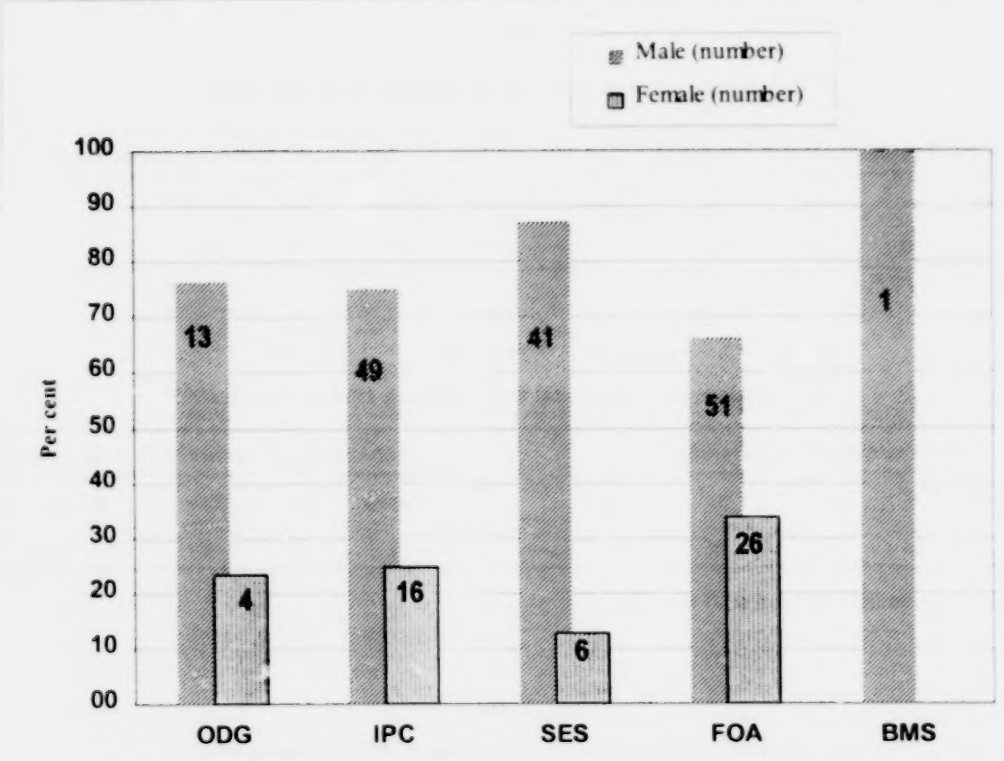
Vacancy announcements issued, January to March 1999

Grade	ODG	IPC	SES	FOA	BMS	Total
D-1	0	1	1	1	1	4
P-5	0	0	3	0	0	3
P-4	0	2	1	0	0	3
P-3	0	0	1	0	0	1
P-2	0	1	0	1	0	2
Total	**0**	**4**	**6**	**2**	**1**	**13**

Figure 1

Status of Professional staff subject to geographical distribution at Headquarters, by division

As of 31 March 1999



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Twenty-first session
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Item 6 of the provisional agenda

FINANCING OF THE INTEGRATED TECHNICAL COOPERATION PROGRAMMES IN DEVELOPING COUNTRIES

Note by the Secretariat

1. The Chairman of the G-77 and China in Vienna, in a note verbale addressed to the Director-General dated 13 April 1999, requested the inclusion of the above item in the provisional agenda of the twenty-first session of the Board.

2. The request for the inclusion of the item, submitted in accordance with the rules of procedure of the Board, was accompanied by the explanatory memorandum reproduced in the annex to the present note. The proposed item is included in the provisional agenda for the session (IDB.21/1).

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Annex

PROPOSAL FOR THE INCLUSION OF THE ITEM "FINANCING OF THE INTEGRATED TECHNICAL COOPERATION PROGRAMMES IN DEVELOPING COUNTRIES" IN THE PROVISIONAL AGENDA OF THE TWENTY-FIRST SESSION OF THE INDUSTRIAL DEVELOPMENT BOARD, 23-25 JUNE 1999

1. Note verbale

G-77 VIENNA CHAPTER
OFFICE OF THE CHAIRMAN

The Chairman of the G-77 and China in Vienna presents his compliments to the Director-General of UNIDO and has the honour, on behalf of the Group, to propose in accordance with rule 11 of the Rules of Procedure of the Industrial Development Board (IDB), for inclusion in the provisional agenda of the twenty-first session of the IDB an item entitled "Financing of the Integrated Technical Cooperation Programmes in developing countries".

The G-77 and China in Vienna wishes to emphasize that the newly transformed UNIDO requires sufficient resources to enable it to implement the Business Plan and the Service Modules. The purpose of this proposal is to enrich, facilitate and enhance the search for methods and ideas which will ensure the availability of adequate financial resources to UNIDO for the delivery of technical cooperation services to developing countries.

The Chairman of the G-77 and China has the honour to further request the Director-General to kindly circulate the attached memorandum of explanation on the proposed agenda item together with the said Note Verbale to all members of the Board.

The Chairman of the G-77 and China avails himself of this opportunity to renew to the Director-General of UNIDO the assurances of his highest consideration.

[signature]
Vienna, 13 April 1999

The Director-General of UNIDO
Mr. Carlos Magariños
D2265
Vienna International Centre
1400 Vienna

II. Explanatory Memorandum

G-77 VIENNA CHAPTER
OFFICE OF THE CHAIRMAN

1. We are requesting the inclusion of this item based on the belief that we should take the lead in promoting the issue of financing of the technical cooperation programmes in developing countries.

2. We are convinced that for the newly transformed UNIDO to accomplish the tasks assigned to it in the Business Plan and the Service Modules, sufficient resources must be made available to enable it to undertake the work successfully. The low level of contributions to the IDF in the last ten years, and the continued inadequacy of financial resources to UNIDO for technical assistance to meet the needs of developing countries remains a source of concern.

3. For this purpose UNIDO has started the implementation of the Business Plan and the Service Modules as a follow-up to the administrative and programmatic reform undertaken by the Director-General. The crucial question is to what extent should the Organization be assisted with the resources to finance its programmes. The operational budget is not sufficient to finance these programmes. Thus, it is now important to examine alternative sources of funds for UNIDO projects. In this regard reference is made to operative para 7 of General Assembly Resolution A/RES/53/177 of 28 January 1999 on the modalities for financing industrial development projects.

4. In pursuance of the implementation of the newly introduced integrated programmes during 1998, eight integrated programmes had been formulated and action is about to be completed for ten more countries in Africa. We understand that the average cost of an integrated programme is about US$5 million. UNIDO has already committed the amount of US$3.3 million from its IDDA funds and US$1.87 million from the Danish contribution to the Industrial Development Fund (totaling US$5.17 million) for the launching and initial implementation of the technical cooperation programmes already formulated in cooperation with the African countries. The funds allocated by UNIDO will enable it to start the implementation of the programmes already developed in these countries in 1999. The issue now is how to secure the balance of the funds for the programmes already formulated, as well as for those that are being prepared.

5. Likewise these same integrated programmes should be applied to the Latin America and Caribbean Region bearing in mind the specific characteristics, needs and priorities of each country. Efforts should be undertaken in order to assure adequate funding for this vital mission.

6. Integrated programmes are of great interest and importance to the Asian Region. The 37 countries of this Region covered by UNIDO are faced with multifaceted economic and social problems. Despite having adopted outward looking strategies and liberal market oriented policies for integration in the global economy, many of them are suffering economic setbacks as a result of the continuing turmoil in financial and currency markets. The weaker economies of this region particularly the least developed states (of which there are no less than 14 in this region) continue to face great constraints in the realization of their economic aspirations. They need the benefits from UNIDO's Service Modules through Integrated Technical Cooperation Programmes to address low levels of industrialization, low investment rate and marginal FDI inflows. The need to introduce suitable integrated programmes for the Asian Region and to seek adequate funding for these programmes remain important concerns and require concerted efforts.

7. We are aware that the UNIDO Constitution provides that only six per cent of the regular budget of the Organization may be used for promotion of technical cooperation programmes. In view of the current level of

the regular budget itself, this is indeed a paltry sum which may hardly suffice to finance a single integrated programme. We therefore hope that the next IDB session would provide the opportunity for a dialogue to devise new approaches to financing the integrated programmes in the developing countries and urge all Member States of the Organization to seriously consider this issue.

8. The Group of 77 and China takes note of the efforts that the UNIDO Secretariat and Member States have undertaken in this regard, but we believe that a more reliable and predictable system of financing of technical cooperation programmes needs to be established. We hope that the inclusion of this item will facilitate discussion and eventual action which will enable UNIDO to obtain the essential financial resources to ensure that it fulfils its important responsibility in this area.

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Industrial Development Board

Twenty-first session
Vienna, 23-25 June 1999
Item 5 of the provisional agenda

IMPLEMENTATION OF THE BUSINESS PLAN IN AFRICA

Report by the Director-General

In compliance with decision IDB.20/Dec.10, reports on the implementation of the Business Plan in African countries.

1. In its decision IDB.20/Dec.10, the Industrial Development Board focused on a number of issues within the context of the new UNIDO service modules and their application in Africa. The present document provides information on developments in that respect. The text should be considered in conjunction with the report on the Industrial Development Decade for Africa (IDDA) submitted to the Board at its twentieth session (IDB.20/12), which addressed specifically the concerns of the General Conference raised in resolution GC.7/Res.5. In this connection, efforts have been made to align the priorities and focus of the programme for IDDA with the Business Plan and the new UNIDO service modules.

I. DEVELOPMENT OF INTEGRATED PROGRAMMES

2. With the completion of the programmatic transformation in September 1998, the Secretariat launched the first effort to translate the new service modules into concrete programmes at the country level. The new approach required that programmes be demand driven and consist of integrated services tailored to solve specific problems identified by clients in both the public and private sectors. The scope of programmes covered priorities and needs identified under the plan of action of the Alliance for Africa's Industrialization (AAI) and the United Nations Development Assistance Framework (UNDAF).

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3. In developing the integrated programmes a number of guiding principles have been followed in order to ensure consistency with the Business Plan and coherence between the integrated programmes and development priorities of the beneficiary countries. These principles include:

(a) Programmes must be demand-driven;

(b) Local ownership and sustainability must be ensured;

(c) Innovative combinations of service modules provide integrated solutions.

4. In the first phase of programme formulation which commenced in September 1998, IDDA supplementary funds were utilized to finance programming missions in eight countries (including seven LDCs), namely Burkina Faso, Guinea, Kenya, Morocco, Rwanda, Sudan, Uganda and the United Republic of Tanzania. A mission was also undertaken to Algeria financed by funds from the Regular Programme of Technical Cooperation. This phase resulted in a portfolio of programmes valued at about $51.3 million for these countries (annex, table 1). The second phase of programme formulation commenced in the first half of 1999 covering six countries (Côte d'Ivoire, Ethiopia, Ghana, Mozambique, Senegal and Tunisia). A third phase of programme formulation is anticipated to commence in July of 1999 in another 11 countries (Burundi, Cameroon, Egypt, Eritrea, Lesotho, Madagascar, Mali, Namibia, Nigeria, Togo and Zimbabwe) (annex, table 2).

5. Consistent with the Business Plan the finalized programmes have focused on promoting sustainable private sector-led industrial development through a combination of:

(a) **Upstream activities to enhance capacity-building both within government and private sector institutions for industrial policy formulation, implementation and monitoring.** The goal is to complement macro-economic stabilization and adjustment programmes with micro-level efforts to reduce market failures and eliminate supply-side rigidities;

(b) **Institution building through knowledge-transfer and enhancement of general managerial and entrepreneurial skills.** The goal is to improve the functioning of technical institutions, industrial service providers, industrial associations and enterprise managers;

(c) **The development of technological capabilities at the enterprise level in order to enhance the competitiveness of industrial sectors, industrial expansion and job creation.** In this connection, UNIDO has combined its unique technical and sectoral expertise with technical cooperation provided by other multilateral and bilateral agencies to enhance technological upgrading of industry and facilitate the adoption of production processes consistent with new global standards for quality, cleaner production and energy efficiency in small and medium enterprises (SMEs).

II. FUNDS MOBILIZATION

6. By the end of 1999 it is anticipated that integrated programmes would have been completed in 27 countries in the whole of Africa (over half the countries in the continent). These include 15 LDCs, accounting for 56 per cent of the total number of African countries covered by the formulation of integrated programmes. This would yield a large portfolio of integrated programmes for which funds would have to be mobilized. Effective funds mobilization will require collective effort by donors, beneficiary countries and UNIDO. An active funds mobilization process has been launched at the country level and in the capitals of major donors. The Secretariat hopes that the Permanent Missions accredited to UNIDO will take a pro-active stance in support of this effort.

7. To date, in addition to financing programme development costs, UNIDO has utilized $5.17 million of its programmable resources (from IDDA and the Danish contribution to the Industrial Development Fund) to initiate the implementation of the integrated programmes in sub-Saharan Africa. Under the leadership of beneficiary countries, active funds mobilization measures will continue during 1999 and 2000 focusing on the following elements:

- Country-level funds mobilization by beneficiary countries through resource mobilization meetings for local representatives of donor countries and institutions;

- Programmes tailored to address priorities agreed upon by donors and beneficiary countries under existing bilateral cooperation frameworks;

- Inter-agency formulation of programmes with appropriate co-financing arrangements under UNDAF and the United Nations Special Initiative for Africa (UNSIA);

- A conference on industrial partnerships to be organized by UNIDO, OAU, ECA and ADB in September/October 1999. As part of this conference, ADB and UNIDO will sponsor a study on establishing new funding mechanisms for SME development;

- Promotional visits to donor countries;

- Establishment of investment partnerships with private sector foundations in donor countries and private sector involvement in programme design and implementation where possible.

III. GLOBAL FORUM ROLE

8. The Secretariat will strengthen its global forum activities in Africa in cooperation with the Conference of African Ministers of Industry (CAMI), OAU, ECA, the AAI Steering Committee and Patrons Group and other regional organizations. In this connection, the Organization will play a greater role in furthering an understanding of the industrial development problems in Africa and their complex linkages with social development and environmental sustainability. Also, in the light of the recent financial and economic crises in some Asian, Eastern European and Latin American economies, there is a clear need for revisiting key assumptions about economic development that have dominated policy debates in the last two decades, including the reinstatement of industry on the international development agenda. UNIDO will establish partnerships with selected research institutes and eminent scholars to regularly analyse and provide information on these emerging issues.

9. The Secretariat will endeavor to identify state-of-the-art advances in industrialization and stimulate debate in that regard. In LDCs and African countries in particular there is a serious concern about market access as trade preferences erode, and the impact of globalization on de-industrialization, unemployment and deepening poverty. There is also the need to enhance understanding of the supply-side rigidities and market failures that constrain industrial expansion and the adjustment of firms to new production standards. These issues will be addressed in the regional forum and conference on industrial partnership organized as parallel events to the fourteenth session of CAMI scheduled to take place at Dakar, Senegal in October 1999. The results of the CAMI session will be the subject of a separate report to the General Conference.

IV. STRENGTHENING THE FIELD

10. Progress has been made in the further strengthening of the field offices both in terms of allocation of additional financial and human resources. The period of 1999 will result in the establishment of regional offices and this will be carried forward also in the years 2000 and 2001. Actions taken and planned by the Secretariat have been reported in document IDB.21/19.

V. ACTION REQUIRED OF THE BOARD

11. The Board may wish to take note of the information provided in the present document.

Annex

INTEGRATED PROGRAMMES - COUNTRY COVERAGE IN AFRICA

Table 1. Integrated programmes formulated

			Value (US$)
1	Algeria		11,442,000
2	Burkina Faso	LDC	4,086,210
3	Guinea	LDC	4,795,500
4	Kenya		1,500,000
5	Morocco		8,929,000
6	Rwanda	LDC	5,314,000
7	Sudan	LDC	7,089,330
8	Uganda	LDC	3,902,500
9	United Republic of Tanzania	LDC	3,824,000
TOTAL			**50,882,540**

Table 2. Integrated programming missions

April - June 1999	Côte d'Ivoire	
	Ethiopia	LDC
	Ghana	
	Mozambique	LDC
	Senegal	
	Tunisia	
July - September 1999	Burundi	LDC
	Cameroon	
	Egypt	
	Eritrea	LDC
	Lesotho	LDC
	Madagascar	LDC
	Mali	LDC
	Namibia	
	Nigeria	
	Togo	LDC
	Zimbabwe	

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IMPLEMENTATION OF THE BUSINESS PLAN IN AFRICA

Addendum

Conference on Industrial Partnerships and Investment in Africa

Report by the Director-General

1. Chapter II of the report on implementation of the Business Plan in Africa (GC.8/6-IDB.21/18) referred to a number of funds mobilization measures, including the Conference on Industrial Partnerships and Investment in Africa. This addendum provides further information on preparations for that event.

2. The Government of Senegal has indicated its readiness to host the Conference on Industrial Partnerships and Investment. It is therefore anticipated that the Conference will take place in Dakar, Senegal, from 20 to 21 October 1999, in conjunction with the fourteenth meeting of the Conference of African Ministers of Industry (CAMI XIV), to be held from 22 to 23 October 1999.

3. The Conference is being organized by UNIDO, the African Development Bank, the United Nations Economic Commission for Africa (ECA) and the Organization of African Unity (OAU), in pursuance of the Declaration of the OAU Assembly of Heads of State and Government adopted in Harare, Zimbabwe in June 1997, which was subsequently reiterated by the United Nations General Assembly in December 1997, through its resolution 52/208. That resolution, *inter alia*, "Invites donor countries, United Nations funds and programmes, all relevant United Nations organizations and the private sector to participate in a meeting of donors to be organized by the United Nations Industrial Development Organization in collaboration with the Economic Commission for Africa, the United Nations Development

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Programme and the Organization of African Unity, under the leadership of the African Development Bank and in cooperation with the World Bank".

4. The Steering Committee of the Alliance for Africa's Industrialization at its first meeting held in Abidjan in September 1998 decided that the donors' meeting should be organized as a conference on industrial partnerships and investment in Africa, in the period between June and October 1999, to address industrial development concerns broader than the mobilization of funds alone. The executive heads of the African Development Bank, ECA and OAU decided in February 1999 to establish a task force with UNIDO to prepare and organize the Conference.

5. The Conference will consist of two interrelated forums:

- A forum to discuss issues related to industrial development, partnerships and investment in Africa, including the financing of small and medium industries;
- A forum to identify and mobilize resources and to decide on the measures to be taken for financing the technical cooperation programmes recently formulated in cooperation with African countries, and in the context of the Alliance for Africa's Industrialization, for the development of the industrial sector in those countries. This forum will also offer an opportunity to confirm commitments already made towards the financing of these programmes.

6. In line with the new emphasis of the Conference on the promotion of industrial partnerships, it is also anticipated that the first bi-regional (Africa-Latin America and Caribbean) business seminar of the Latin American Economic System will be held in Dakar from 18 to 19 October 1999, in the margin of the Conference on Industrial Partnerships and Investment in Africa. The objective is to encourage the exchange of experience on strategies and business partnerships between selected countries of Latin America and the Caribbean and African countries, in the context of economic and technical cooperation in developing countries.

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FIELD REPRESENTATION

Report by the Director-General

Updates the information on implementation of the field representation programme contained in document IDB.20/16.

Abbreviations

AE	Associate Expert
APO	Associate Programme Officer
IDDA	Industrial Development Decade for Africa
IDF	Industrial Development Fund
JPO	Junior Professional Officer
NPO	National Professional Officer
UND	UNIDO National Director
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UR	UNIDO Representative

Introduction

1. Developments in the UNIDO field representation programme have been the subject of extensive reporting to the policy-making organs since the adoption by the General Conference of resolution GC.7/Res.11 (4 December 1997). The present text updates information on progress reported in documents IDB.19/11, IDB.19/CRP.8, IDB.20/16, IDB.20/CRP.16 and IDB.21/10 (chap. VI), which highlighted:

- Completion of the terms of reference of UNIDO field representatives;
- The decision to locate 30 offices in various regions;
- Director-General's Administrative Instruction No. 7 on decentralization and delegation of authority to UNIDO's field offices;
- Other administrative instructions on field representation.

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I. REDEPLOYMENT OF RESOURCES TO THE FIELD

2. For the 1998-1999 biennium, the regional programme net budget totals $25.6 million. That figure has been increased to $33.4 million in the programme and budgets proposed for the biennium 2000-2001, representing an increase of 30 per cent. Table 1 shows the resource breakdown for both bienniums. The field programme budget has been increased by 27 per cent.

Table 1
Resources for UNIDO regional programme

	Posts		Resources (thousands of US$)
	P	GS	
1998-1999 approved budget			
Field representation	35	60	17,776.6
Headquarters	19	13	7,848.3
Total	**54**	**73**	**25,624.9**
2000-2001 proposed budget			
Field representation	50	60	22,615.6
Headquarters	23.5	17	10,806.5
Total	**73.5**	**77**	**33,422.1**

3. As can be seen in table 2, the budget proposals for 2000-2001 reflect an increase of 15 Professional staff to be redeployed from Headquarters to the field, which is an increase by 43 per cent as compared to 1998-1999 field staffing.

Table 2
Professional staff assigned to field

Region	1998-1999 (approved)	2000-2001 (proposed)	Increase
Asia & Pacific	8	11	3
Arab countries	5	8	3
Latin America & Caribbean	7	10	3
Africa	14	18	4
Europe & NIS	1	3	2
Total	**35**	**50**	**15**

4. In addition to the costs associated with assigning Headquarters staff to the field, non-staff costs for field offices have also been increased. Non-staff costs (including expenses pertaining to consultants, travel, meetings and workshops, IDDA activities and local operating costs) accounted for $4.9 million in 1998-1999. This has been increased to $5.6 million in the proposals for 2000-2001, reflecting a 14 per cent increase.

5. At present, among the 26 UNIDO Representatives on board are 20 staff members deployed from Headquarters. A further seven Headquarters staff are scheduled for redeployment during the course of 1999 to UR posts falling vacant owing to retirement. The status of staff assigned to field offices as of 31 March 1999, including JPOs, AEs, NPOs) and other local staff, is shown in the annex to the present document.

6. Negotiations are underway with the Governments of Morocco, Romania and Tunisia to establish UNIDO offices on the basis of 100 per cent coverage of local costs by the host countries. These offices will be staffed through the redeployment of staff from Headquarters.

7. Within the existing approved 30 offices, five are earmarked for conversion to regional offices. The selection of regional offices will be based on well-defined qualitative and quantitative criteria:

Qualitative criteria

- Geographical position, logistics and communication
- Expansion potential of office
- Status of payment of assessed contribution
- Host country contribution to UNIDO programme funds, such as IDF

Quantitative criteria

- Pool of local expertise
- Concentration of regional headquarters of development institutions
- Participation in multi-country programmes and projects
- Host government support to UNIDO country office

8. On this basis, the Secretariat will initiate discussions with Member States. The regional offices are expected to be in operation by the second half of 1999. Technically

qualified staff will facilitate swift response to client needs, thereby strengthening the UNIDO field programme with additional professional resources in the field.

9. UNIDO's presence in the field will be strengthened in a variety of ways. Plans are under way to redeploy a few Professional staff members from Headquarters for placement in UNDP offices in selected countries. The Russian Federation and Thailand have been earmarked to carry out UNIDO programmatic activities. In addition, UNIDO has entered into an agreement with Turkey for establishing a UNIDO centre for regional cooperation.

10. As indicated in previous documents, despite cessation of UNDP support to the UNIDO field programme and the continuous depletion of regular budget resources, the Organization has continued to make provisions for additional resources to strengthen its field presence. UNIDO will continue to pursue its dialogue with host country Governments to provide financial support to meet local operating costs.

II. FORMULATION OF KEY FUNCTIONS AND RESPONSIBILITIES OF FIELD OFFICES

11. With the introduction of the new management framework, service management cycle and cost accounting,[1] the regional programme plays a pivotal role in coordinating the service management process (programme development, implementation, monitoring and evaluation). In line with enhanced functions delegated to the field offices, the URs are now actively involved in the development and formulation of integrated programmes. Financial allocations have been made to bring URs to Headquarters to participate as effective team members and provide relevant inputs for the finalization of the integrated packages of services. This ensures that UNIDO's integrated programmes are in line with host country demands and with the UNDAF process, thus ensuring a holistic and harmonized approach.

12. In line with their terms of reference, URs have developed their work plans. In addition to their programme development and implementation activities, the URs are also engaged in funds mobilization. They make regular calls to donors and development finance institutions to discuss and negotiate for funds mobilization in support of technical cooperation activities. The URs report to Headquarters on a monthly basis, and also submit an annual report providing information on overall progress, achievements and constraints, which includes a work plan for the following year.

III. DELEGATION OF AUTHORITY

13. As reported previously (IDB.19/CRP.8, IDB.20/16), a number of concrete steps were taken in 1998 to define the functions and responsibilities of the field offices and to delegate authority to them in various areas. The series of administrative instructions also provided the administrative and procedural framework for decentralization and empowerment of field offices. Specific authority has been delegated in the areas of budget and expenditure, recruitment of short-term consultants and advisory services, procurement authority up to a defined value and administration of fellowships and study tours. The country offices have started exercising these powers and the URs are functioning as allotment holders in respect of their approved budgetary allocations. These instructions defined the operational parameters of UNIDO country offices, the regional offices and the national focal points. The mandate and functions of each entity were defined and their relationship with Headquarters established. The system is functioning smoothly.

14. The Executive Board has reserved $20,000 for allocation to each of the 30 field offices, for a total of $600,000. This is in line with further decentralization to delegate greater authority for enabling the field offices to carry out programme development activities.

IV. HOST COUNTRY CONTRIBUTIONS

15. Conference room paper IDB.20/CRP.4 included a report on host country contributions, the status of which remained unchanged as of 31 December 1998. As of 31 March 1999, the following host country cash contributions had been received in support of local operating costs, as shown in table 3. In addition, Pakistan has indicated that its payment of approximately $9,000 will be remitted soon.

Table 3
Host country contributions to local costs

Country	US$ (approx.)
Colombia	30,000
Egypt	18,000
India	50,000
Nigeria	34,000
Turkey	146,000

[1] Director-General's Administrative Instruction No. 9, 21 October 1998.

V. HOST COUNTRY AGREEMENTS

16. As reported in conference room paper IDB.20/CRP.4 (para. 20), little progress has been made with respect to host country agreements. Proposals had been forwarded as early as mid-1998 to all UNIDO country offices and duly transmitted to relevant host country authorities. According to reports from URs, review and consideration of the agreements is a very time-consuming process—particularly in view of the legal implications—and thus require review by various ministries and agencies in each case. Regular follow-up is conducted by the URs on this issue.

17. Progress can be reported with respect to Ghana and Pakistan. Recent information indicates that the Government of Ghana is prepared to sign the agreement and arrangements will be made for a signing ceremony. In Pakistan, clearance procedures appear to be at an advanced stage and formal endorsement is expected in the near future.

V. ACTION REQUIRED OF THE BOARD

18. The Board may wish to take note of the information provided in the present document.

Annex

UNIDO FIELD REPRESENTATION **Status March 1999**

	UR	UND	NPO/APO	AE	JPO	Driver	Other GS	Total
AFRICA								
Burkina Faso					1			1
Cameroon	1					1	1	3
Côte d'Ivoire	1			3		1		5
Eritrea					1			1
Ethiopia	1				1	1	1	4
Ghana	1				1	1	1	4
Guinea	1				1			2
Kenya	1			2		1	1	5
Madagascar						1	1	2
Mali					1			1
Mozambique				1	1			2
Nigeria	1		1		1	1	1	5
Senegal	1				1	1	1	4
Togo		1	1			1	1	4
Uganda					1			1
UR Tanzania	1				1	1	1	4
Zambia	1				1	1	1	4
Total	**10**	**1**	**2**	**6**	**12**	**11**	**10**	**52**
ARAB STATES								
Algeria	1						1	2
Egypt	1				1		1	3
Lebanon	1						1	2
Sudan	1					1	1	3
Tunisia					1	1	1	3
Total	**4**	**0**	**0**	**0**	**2**	**2**	**5**	**13**
ASIA & THE PACIFIC								
China	1		1					2
India	1				1	1	2	5
Indonesia	1				1	1	2	5
Iran, Islamic Republic of	1							1
Nepal		1						1
Pakistan	1					1	1	3
Philippines					1	1	1	3
Thailand						1		1
Viet Nam	1		1		2	1	1	6
Total	**6**	**1**	**2**	**0**	**5**	**6**	**7**	**27**
EUROPE & NIS								
Turkey		1			1	1	1	4
Uzbekistan			1			1	1	3
Total	**0**	**1**	**1**	**0**	**1**	**2**	**2**	**7**
LATIN AMERICA & THE CARIBBEAN								
Argentina	1						2	3
Bolivia	1				1		2	4
Colombia	1					1	1	3
Cuba			1					1
Ecuador					1			1
Honduras	1					1	1	3
Jamaica	1					1	1	3
Mexico	1					1		2
Nicaragua				1	1			2
Total	**6**	**0**	**1**	**1**	**3**	**4**	**7**	**22**
Grand total	**26**	**3**	**6**	**7**	**23**	**25**	**31**	**121**

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Eighth session
Vienna, 29 November - 3 December 1999

Industrial Development Board

Twenty-first session
Vienna, 23-25 June 1999
Item 5 of the provisional agenda

ARAB COUNTRIES PROGRAMME, INCLUDING TECHNICAL ASSISTANCE TO THE PALESTINIAN PEOPLE

Report by the Director-General

Reports on the implementation of General Conference resolution GC.7/Res.7, in compliance with paragraph 4 of that resolution.

Introduction

1. Resolution GC.7/Res.7 stressed the need for the Arab countries to enhance their industrial capacities and develop their industrial human resources. Special emphasis was placed on the need to support the least developed Arab countries as well as to strengthen regional industrial cooperation. Requests addressed to the Director-General in the resolution concerned (a) mobilization and diversification of financial and other resources for the Regional Programme; (b) cooperation with the Palestine Liberation Organization and other regional organizations; (c) technical assistance to the Palestinian people; and (d) securing additional resources from development finance institutions. The present document reports on progress made in the implementation of those requests.

I. RESOURCES FOR REGIONAL PROGRAMME

2. A significant development in resources allocated in support of the Arab countries occurred within the framework of field representation. UNIDO's presence in the region strengthened considerably in 1998 through the opening of two new UNIDO country offices (Algiers and

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Cairo). The existing offices in Beirut (covering Jordan, Lebanon and the Syrian Arab Republic) and Khartoum (covering Djibouti, Sudan and Yemen) were maintained, while the office in Tunis was relocated to Algiers in connection with the re-opening of the UNIDO country office in Algeria. Negotiations are at an advanced stage for the opening of an office in Rabat, Morocco, with the understanding that local costs will be borne by the host country. Furthermore, the Government of Tunisia has expressed interest in covering local costs for the re-opening of a UNIDO office in Tunis, which would also cover investment promotion.

3. As an early step in the preparation of high impact, integrated technical cooperation programmes, a number of missions composed of multi-disciplinary teams were launched in 1998 and 1999. The missions covered Algeria (September 1998), Morocco (October 1998), Saudi Arabia (February 1999), Sudan (December 1998), Tunisia (March 1999), Palestine (March 1999) and Yemen (April 1999). As a direct result, seven large-scale integrated programmes are being formulated. Similar missions are planned in 1999 for Egypt, Jordan, Kuwait, Lebanon, Syrian Arab Republic and the United Arab Emirates.

4. UNIDO has been working closely with recipient countries to identify sources of financing for integrated programmes in the region. Sufficient funds have been secured from bilateral sources to initiate the programme for Tunisia. Other approaches being pursued include self-financing and inter-agency programmes with co-financing.

II. COOPERATION WITH REGIONAL ORGANIZATIONS

5. The Director-General headed the UNIDO delegation which actively participated in the eighth Conference for the Industrial Development of the Arab Countries (Damascus, June 1998), the objective of which was to agree on common policies and strategies for the industrial development of, and cooperation between, the Arab countries. The Conference had been prepared under a joint UNIDO/AIDMO project, for which a joint follow-up is under consideration.

6. With a view to strengthening cooperation at the regional level, a joint communique on UNIDO/ESCWA/AIDMO cooperation is being initiated. Priority areas addressed include the strengthening of the region's industrial capacity through investment and technology promotion; global forum activities; industrial policies and strategies; cleaner production; industrial information; small and medium enterprises; metrology, standardization, certification and accreditation.

7. In a UNIDO training seminar held in Jeddah, Saudi Arabia, from 20 February to 3 March 1999, 18 staff members of the Islamic Development Bank, as well as four representatives of institutions in the region, upgraded their skills in the identification, preparation and appraisal of industrial investment projects. Topics included project development cycle, marketing, technical analysis and financial appraisal. Based on the seminar's success, the Bank has requested UNIDO to develop a three-year training programme on project development cycle.

III. ASSISTANCE TO THE PALESTINIAN PEOPLE

8. UNIDO has prepared a comprehensive draft support programme to Palestinian industry for the years 1999 to 2001. The programme is based on a detailed analysis of the current structure and features of the industrial sector in the West Bank and Gaza Strip, the industry sector's primary needs, and the policies and priorities for industrial development as presented by the Palestinian Authority in, *inter alia*, the National Development Plan for 1999-2003 prepared by the Palestinian Ministry of Planning and International Cooperation.

9. The draft support programme contains two components with 12 project concepts, of which five have already been integrated in the National Development Plan for 1999-2003:

Component

1 Capacity-building for the Ministry of Industry
2 Private sector development

10. The draft support programme is now being finalized in the light of the conclusions from discussions with the Palestinian authorities. A funds mobilization initiative will then be launched with potential multilateral and bilateral donors having already expressed interest in supporting Palestinian industry.

IV. ACTION REQUIRED OF THE BOARD

11. The Board may wish to take note of the information provided in the present document.

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IMPLEMENTATION OF THE BUSINESS PLAN IN LATIN AMERICA AND THE CARIBBEAN

Report by the Director-General

Reports on the implementation of resolution GC.7/Res.9 as well as on the formulation of integrated programmes for Latin America and the Caribbean.

1. In adopting resolution GC.7/Res.9, the General Conference requested the Director-General to take a number of actions in support of Latin America and the Caribbean within the context of the Business Plan. Documentation issued to the Industrial Development Board in the intervening period covered extensive information on the transformation of UNIDO arising from the adoption of the Business Plan, including development of the service modules and the integrated programmes. The present text refers to specific points contained in resolution GC.7/Res.9 and focuses on the development of integrated programmes for countries in the region.

I. REGIONAL FORUM ON INDUSTRIAL POLICY

2. In developing the new UNIDO service modules for application in all regions, full account was taken of relevant preliminary guidelines for a work programme for 1998 and 1999 for Latin America and the Caribbean, as defined in the report of the 1997 Regional Forum on Industrial Policy. Service modules addressing the concerns reflected in the guidelines include industrial policy formulation and implementation, investment and technology promotion, statistics and information networks

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and continuous improvement and quality management. UNIDO will continue to support future meetings of the Regional Forum on Industrial Policy.

3. Follow-up to the 1997 Regional Forum is a principal topic of discussion in the continuous contacts of the Secretariat with Permanent Missions in Vienna of countries in the region. To enhance the dialogue with UNIDO stakeholders in the region, negotiations are under way for the organization of a UNIDO-sponsored forum on industrial development in Latin America and the Caribbean to be convened in the second half of 1999.

II. COUNTRIES AFFECTED BY ECONOMIC CRISIS

4. Paragraph 1 (b) of resolution GC.7/Res.9 requested the Director-General to devote particular attention to those countries in the region most seriously affected by economic crisis. UNIDO efforts in this regard have focused on programmes to strengthen local capacities for industrial promotion. During 1998, UNIDO activities in Latin America and the Caribbean included 40 newly-approved projects in 15 countries, of which 22 are related to environment and energy. Thirteen projects are in the areas of enhancing industrial competitiveness through quality improvement, industrial promotion and technology, and industrial policy design, while five are aimed at support to employment-generation, particularly in depressed Central American economies.

5. An integrated human resource development programme in Guatemala, Honduras and Nicaragua targets women entrepreneurs in the food-processing industry, for which some 200 women in each country are being trained as trainers. To ensure sustainability, local coordinating staff are being trained and given the tools to provide leadership after the operational completion of the UNIDO project.

6. The establishment of National Cleaner Production Centres in Costa Rica, El Salvador, and Nicaragua has shown that adoption by industry of cleaner production can result in economic benefits as well as environmental benefits. A centre is also being established in Guatemala.

7. A networking programme has been proposed for Central America to meet the information and value added needs of the business community in the targeted countries. The programme would also provide a window for the international business community on available business opportunities in the subregion, including investment technology transfer, export and import, and trade.

III. INTEGRATED PROGRAMMES

8. As an initial step in the application of the new UNIDO service modules in Latin America and the Caribbean, integrated programmes are at various stages of development for four selected countries: Bolivia, Colombia, Cuba and Guatemala. These will be followed by programmes for a second group including Ecuador, Haiti, Honduras, Nicaragua and Paraguay.

9. **Bolivia**: In coordination with the Vice-Ministry for Industry and Internal Trade a UNIDO technical mission visited Bolivia in early May 1999. A programme proposal aiming at assisting the Government in enhancing employment, with special emphasis on the agro-industrial sector and in selected regions, is under discussion. Actions were elaborated to target, *inter alia*, strengthening coordination between national and local support strategies and institutions; strengthening institutional capacities for supporting small and medium enterprises in key agro-industrial subsectors; and improving national capacities in the sustainable management of natural resources, with emphasis on the conservation of biodiversity and exploitation of its business opportunities.

10. **Cuba**: In consultation with the Ministry of Cooperation and Investment, a first outline of an integrated programme was formulated to assist the Government's action for employment enhancement in the manufacturing sector. Using the new UNIDO methodology, a preliminary integrated approach was developed which will address three main priorities: (a) contributing to an efficient, stable energy supply by improving the output of existing mini-hydro power plants and exploring alternative energy sources; (b) providing general management training in basic industries and upgrading technical skills in priority sectors; and (c) improving the access of the manufacturing sector to market intelligence services. The UNIDO programme is mainly oriented to upgrading the national expertise and capabilities of Cuban industrial actors. Five service modules are covered: investment and technology promotion; energy efficiency; rural energy; entrepreneurship development; upgrading agro-industries and related technical skills. A technical mission was fielded in early May 1999.

11. **Colombia**: In consultation with the Vice-Minister of Industry, the following priorities of the Colombian Government have been identified: (a) investment promotion, (b) subcontracting, (c) cleaner production, (d) articulation of promotion instruments and structures, (e) promotion of small and medium enterprises. Congress has approved the following actions within the framework of the new development plan: (a) formulation of a state

policy for industrial development; (b) increased exports; (c) strengthening of competitiveness; (d) focusing industrial policy action in small- and medium-scale enterprises and regional development promotion; (e) promotion of foreign investment and strategic alliances. Based on consultations with a delegation visiting UNIDO Headquarters in late April 1999, a technical mission will be fielded.

12. **Guatemala**: In cooperation with the Vice-Minister of Economy, preparations have been initiated for an integrated programme to increase industrial competitiveness and productivity while emphasizing sustainable development. The UNIDO support programme will address the following government priorities: (a) strengthened capacities at the institutional level—both public and private—to support industrial growth and competitiveness; (b) enhanced competitiveness of private sector enterprises in selected industrial sectors; and (c) strengthened links and networks between private sector enterprises and institutions and the public sector. The UNIDO integrated programme is concentrating on improving the system of standards and accreditation; implementing an industrial information system; creating an enabling environment for the development of small and medium enterprises; and environmentally sustainable considerations in selected agro-industries.

IV. ACTION REQUIRED OF THE BOARD

13. The Board may wish to take note of the information contained in the present document.

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PREPARATIONS FOR THE EIGHTH SESSION OF THE GENERAL CONFERENCE

Report by the Director-General

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Introduction

1. The General Conference of UNIDO is the principal organ of the Organization, consisting of representatives of all Members (Articles 7.1 and 8.1 of the Constitution). The main functions of the Conference are stipulated in Article 8.3 of the Constitution. In particular, the Conference should determine the guiding principles and the policies of the Organization. Unless it decides otherwise, the Conference is to hold a regular session every two years, at the seat of the Organization (Article 8.2). The last regular session (seventh) of the Conference was held in Vienna from 1 to 5 December 1997.

I. BACKGROUND INFORMATION

A. Date and place of the Conference

2. At its seventh session, in decision GC.7/Dec.21, the General Conference decided that its eighth session should be held in Vienna from 29 November to 3 December 1999. In this connection, as for the seventh session, the Austrian Federal Government has placed at the disposal of UNIDO conference facilities at the Austria Center Vienna (ACV) free of charge for meetings that cannot be accommodated by the conference facilities of the Vienna International Centre.

B. Office space for delegations

3. Office space for delegations and their permanent missions required during the eighth session of the Conference can be rented in the ACV. Delegations wishing to rent such offices are invited to contact, as soon as possible, Ms. Alice Baar, Director of Organization Department, ACV (telephone 260 69 ext. 2323).

C. Budgetary matters

4. The resources available for the holding of the eighth session of the Conference, as provided for in the programme and budgets of UNIDO, 1998-1999, total $1,563,400. The budget of the Conference is based on the following assumptions:

(a) The eighth session will last five working days providing for 10 plenary meetings, five main committee meetings and five geographical group meetings;

(b) Interpretation for plenary and main committee meetings and documentation will be provided in six languages (Arabic, Chinese, English, French, Russian and Spanish);

(c) Summary records, which will be provided for plenary meetings as well as meetings of the main committee, will be issued—to the extent possible—in English during the session and the other five languages will be issued as soon as possible after the session.

D. Agenda

5. In accordance with Article 9.4 (g) of the Constitution, the Board prepares the provisional agenda for each session of the General Conference. Rule 13 of the rules of procedure of the Conference provides guidelines for the contents of the provisional agenda of a regular session of the Conference. Furthermore, in accordance with rule 12 of those rules of procedure, the Board shall prepare that provisional agenda on the basis of a list of items submitted to it by the Director-General.

6. Annotations indicating briefly the history of each item, the proposed documentation, the substance of the matter to be discussed and earlier relevant decisions by the Conference or other organs of the Organization will be issued following the twenty-first session of the Board.

7. The draft provisional agenda for the eighth session of the Conference is contained in the annex to the present document.

E. Documentation

8. In accordance with rule 23 of the rules of procedure of the Conference, documents required for consideration of items on the provisional agenda shall be distributed by the Director-General in all languages of the Conference to all recipients of the provisional agenda, as far as possible at the same time as the provisional agenda (ninety days before the opening date) and in any event not later than forty-five days before the opening date of a regular session.

II. ORGANIZATION OF THE WORK OF THE CONFERENCE

9. During the eighth session of the Conference, it is planned to hold a forum on industrial development that would enable Member States to express their views on the subject of industrial development within a broader context. The forum would replace the traditional general debate held during sessions of the Conference and would provide an opportunity for high-level participants to communicate their views on a specific topic related to industrialization.

10. In addition, it will be recalled that, at its previous sessions, the Conference established a main committee to which it allocated a number of agenda items. The Board may wish to recommend to the Conference a similar procedure for its eighth session, keeping in mind that the possibility of creating additional committees is constrained by the limited resources available (see para. 4

above). Items 7 to 19 of the draft agenda would also be referred to the main committee for a more focused debate aimed at the preparation of consensus draft decisions and resolutions for submission to the plenary. With the schedule below, there would be no overlap of plenary and main committee, thus enabling all delegations to participate in both elements of the Conference.

Draft provisional schedule for the eighth session of the General Conference

29 November		
a.m.	1st plenary meeting	Opening of session; consideration of agenda items 1-5
p.m.	2nd plenary meeting	Opening of forum on industrial development; agenda item 9
30 November		
a.m.	3rd plenary meeting	Agenda item 9
p.m.	4th plenary meeting	Agenda item 9; closure of forum on industrial development
1 December		
a.m. and p.m.	Main Committee	Consideration of draft decisions/ resolutions on agenda items 7-19
2 December		
a.m. and p.m.	Main Committee	Consideration of draft decisions/ resolutions on agenda items 7-19
3 December		
a.m.	5th plenary meeting	Adoption of draft decisions/ resolutions emanating from the Main Committee and others
p.m.	6th plenary meeting	Adoption of draft decisions/ resolutions emanating from the Main Committee and others; closure of the General Conference

11. The work of the previous sessions of the Conference was also greatly facilitated by setting up, under the guidance of the President of the Board, informal consultations for the preparation of the Conference. Such an informal group, composed of representatives of permanent missions to UNIDO in Vienna, has met prior to previous Conferences and has prepared a report to the Conference containing recommendations that cover most of the items on the agenda as well as organizational matters.

III. ACTION REQUIRED OF THE BOARD

12. The Board may wish to consider adopting the following decision:

"The Industrial Development Board:

"(a) Takes note of the information provided in document IDB.21/22;

"(b) Adopts the following agenda for the eighth session of the General Conference:

[...]

"(c) Agrees to hold a forum on industrial development within the framework of the General Conference (provisional agenda item 9);

"(d) Recommends to the Conference that items 7 to 19 of the provisional agenda be allocated to a main committee of the Conference;

"(e) Recommends that, in the light of experience gained in the preparation of previous sessions of the Conference, the President of the twenty-first session of the Industrial Development Board conduct informal consultations for the preparation of the eighth session of the Conference."

Annex

DRAFT PROVISIONAL AGENDA FOR THE GENERAL CONFERENCE, EIGHTH SESSION

1. Opening of the session.
2. Election of officers:
   (a) Election of the President;
   (b) Election of other officers.
3. Adoption of the agenda.
4. Organization of work.
5. Credentials of representatives to the Conference.
6. Elections to organs:
   (a) Industrial Development Board;
   (b) Programme and Budget Committee.
7. Reports of the Industrial Development Board on the work of its nineteenth, twentieth and twenty-first regular sessions.
8. Annual reports of the Director-General on the activities of the Organization for 1997 and 1998.
9. Forum on industrial development.
10. Policy framework of UNIDO.
11. Financial matters:
   (a) Financial situation of UNIDO;
   (b) Audit-related matters;
   (c) Adjustments to the programme and budgets for the 1998-1999 biennium;
   (d) Scale of assessments of Member States;
   (e) Working Capital Fund;
   (f) Appointment of external auditor.
12. Mobilization of financial resources for UNIDO programmes (including Industrial Development Fund).
13. Medium-term programme framework, 2000-2003.
14. Programme and budgets, 2000-2001.
15. Development of human resources for industry.
16. Industrialization of the least developed countries.
17. The regional dimension:
   (a) Africa (in particular the Second Industrial Development Decade for Africa);
   (b) Arab countries programme, including technical assistance to the Palestinian people;
   (c) Asia and the Pacific;
   (d) Latin America and the Caribbean.
18. Personnel matters, including United Nations Joint Staff Pension Fund.
19. Matters related to intergovernmental, non-governmental, governmental and other organizations.
20. Date and place of the ninth session.
21. Closure of the session.

Other items for possible inclusion in the provisional agenda

Field representation
Europe and NIS

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Item 5 of the provisional agenda

DEVELOPMENT OF HUMAN RESOURCES FOR INDUSTRY

Report by the Director-General

Reports on the implementation of General Conference resolution GC.7/Res.3

1. In resolution GC.7/Res.3, the General Conference emphasized the importance of the human dimension in development, in particular in industrial development projects, and noted the increasing demand from developing countries for capacity-building in human resources development. The resolution highlighted aspects of industrial human resources development (IHRD) related to: (a) a clearer definition of the IHRD concept of UNIDO within the context of the Business Plan; (b) integration of the services of industrial training institutions into UNIDO activities; and (c) programmes of South-South cooperation in human resources development.

2. UNIDO defines industrial human resource development as a dynamic process providing sustainable opportunities for men and women in accordance with their aspirations and talents to acquire knowledge, skills, attitudes and know-how which can be applied in favourable and equitable conditions of employment or self-employment to accelerate industrialization for their economic and social benefit and that of their community.

3. All UNIDO service modules address capacity-building and effectively incorporate elements of IHRD. This mainstreaming approach allows IHRD, wherever relevant, to become an integral part of all UNIDO's industrial support service activities. The full response and impact of the holistic definition and approach provided above will be realized during the implementation of the recently-developed UNIDO integrated programmes of assistance. The explicit incorporation of gender-specific issues and elements into each of the service modules is planned.

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4. Among the integrated programmes developed to date are examples of the integration of services of industrial training institutions, particularly in Africa. UNIDO will support an existing training centre for leather products development in Uganda. A project recently approved by the Executive Board will provide support to upgrade equipment and training services for the Theka Centre, which serves the whole of East Africa. In the United Republic of Tanzania, a technology diffusion centre will function as a demonstration centre for food processing and for providing advisory services to small- and medium-scale entrepreneurs, with a strong emphasis on promotion of female entrepreneurship.

5. Elements of South-South cooperation within the framework of IHRD are also featured in UNIDO activities. A project recently developed for an Asia-Africa Investment Promotion Centre to promote cooperation between the two regions would include seminars and workshops among its activities. Training by Indian specialists is foreseen as part of a project now being formulated on technology transfer to Africa, to be partly financed by India.

6. In response to the mandates of the Business Plan calling for the focusing and integration of UNIDO services while at the same time reducing the dispersion of UNIDO activities, stand-alone training—with its limited impact and low cost-effectiveness—continues to be de-emphasized and the staff formerly responsible for those activities have been assigned to other technical units to facilitate an Organization-wide response to the requirements of IHRD.

7. Currently, UNIDO programmes address the following aspects of IHRD: industrial employment and related manpower development, with particular emphasis on the demand side of industry (as interpreted by UNIDO-assisted industrial support institutions), and technology development and its integration in industrial organizations and management. Programmes that directly address the social dimensions of IHRD in terms of health, welfare and living/working conditions are addressed by the International Labour Organization, the regional economic commissions (in particular the Economic and Social Commission for Asia and the Pacific) and the World Health Organization.

8. The Secretariat is of the view that IHRD is a subject worthy of systematic analysis and study in its own right and that a high-level research capacity needs to be established at UNIDO to specifically address policy-level IHRD issues. This is important for three reasons. When social agenda issues are discussed in international forums, UNIDO needs to be in a position to demonstrate how the industrial dimension of HRD contributes to poverty reduction and social integration, and to disseminate lessons learned in that connection. The results of IHRD research are also required to update the IHRD policy and strategy advice given by the Organization to its Member States. Finally, research findings will need to be continuously introduced into the service modules to improve the Organization's IHRD performance when implementing integrated programmes. This would, *inter alia*, require the continuous analysis of UNIDO's integrated programmes and related IHRD interventions to increase the capacities of government, institutions, associations and enterprises.

9. The Secretariat can only establish this critically important research function if additional resources are made available.

ACTION REQUIRED OF THE BOARD

10. The Board may wish to take note of the information contained in the present document.

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PERFORMANCE INDICATORS AND EVALUATION

Note by the Secretariat

Reports on progress in introducing a system of performance indicators to assess the implementation of the Business Plan.

Introduction

1. In resolution GC.7/Res.1, the General Conference requested the Director-General to keep Member States informed about the implementation of the Business Plan, *inter alia*, through a range of performance indicators. The efforts of the Secretariat in developing performance indicators were subsequently covered in a number of documents (IDB.19/CRP.2, IDB.20/17, IDB.20/CRP.5, PBC.15/CRP.3).

I. RECENT DEVELOPMENTS

2. A number of developments relevant to the elaboration of performance indicators have occurred in recent months:

(a) The proposed programme and budgets for 2000-2001 aligned the Business Plan, the new service modules and the budgets. This facilitates the design of specific performance indicators as exemplified by the nine organization-wide performance indicators presented in document PBC.15/CRP.3.

(b) In elaborating the performance indicators, an integrated monthly financial performance reporting system was established in April 1999 using some 30 inter-linked programmatic and financial measures and indicators. These are used for target-setting, monitoring and implementation control.

(c) Work is under way to define performance indicators for all substantive programmes under Major Programmes C and D based on the proposed programme and budgets for the biennium 2000-2001. These substantive programmes are already linked to expected outputs of the service modules. The performance indicators (covering for example manufacturing value added, enhanced productivity, exports, employment, and elimination of ozone-depleting substances) will be used to assess the effectiveness and impact of UNIDO services in terms of the 3 Es (competitive Economy, productive Employment, sound Environment).

(d) In implementing the integrated programmes, team leaders are developing specific performance indicators to assess the effectiveness and impact of programmes.

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3. Interest in the application of performance indicators has been growing in the United Nations system. In March 1999, a high-level meeting of CCAQ discussed the issue of performance indicators and result-based budgeting with a view to establishing clear methods for assessing organizational performance. While it was recognized that the establishment of performance indicators is difficult both conceptually and technically, it was nonetheless acknowledged that the measurement of impact and outcome is possible. It was agreed that United Nations agencies would exchange experience in formulating performance indicators using the Internet. UNIDO will participate actively in this exchange.

4. Despite the obvious difficulties involved, UNIDO is committed to designing and using performance indicators. But it should be underscored that assessing development services requires time—normally several years—for impact to emerge. Development is a medium- to long-term task and not a short-term one. Moreover, of the many external factors that influence project impact, most are beyond the control of UNIDO. Finally, the potential impact of UNIDO services will clearly be limited by the resources available for their provision. Nonetheless, UNIDO's task is to achieve maximum "value for money" within these constraints. In other words, through its catalytic role, UNIDO seeks to add value and generate more impact than the limited resources at its disposal would imply. In this way, "impact measures" would show the cost-effectiveness and multiplier effect of UNIDO services.

II. PERFORMANCE INDICATORS AND EVALUATION

5. Establishing performance indicators to assess effectiveness and impact of the integrated programmes as explained in paragraph 2 (d) facilitates the work of evaluation. Indicators will provide evaluators with performance standards against which actual performance can be measured, as well as the "means of verification". The use of common performance indicators and measures facilitates the integration of the evaluation function into the programmatic and management processes of UNIDO.

6. In March 1998, the Cross-Organizational Team on Evaluation issued a report containing a number of recommendations to strengthen evaluation functions. An important recommendation was the integration of evaluation functions into UNIDO's core programme and project process. This was implemented in March 1999, with the integration of the evaluation staff into the Office of Internal Oversight (ODG/OIO). Evaluation and audit functions are now integrated to enhance synergy between audit (focused primarily on efficiency) and evaluation (focused primarily on effectiveness) of UNIDO operations.

7. Reflecting the new developments with respect to performance indicators, the approach to evaluation of UNIDO programmes and projects is under review:

(a) In future, the focus will be on independent, in-depth evaluation of programmes and projects. The self-evaluation system, with progress and terminal reports reviewed by ODG/OIO (which also served the purpose of compiling organization-wide performance indicators on technical cooperation) will continue as long as stand-alone projects exist. For the integrated programmes, a PC-based monitoring system is being introduced with data to be regularly updated by team leaders.

(b) In October 1998, a system of rapid assessment of UNIDO project and programme performance by UNIDO Representatives in the field was established (DGAI No. 9). A recent decision to allocate $20,000 to some field offices will facilitate that process.

(c) Measures will be taken to maintain effective monitoring functions at the output level.

III. CONCLUSION

8. The purpose of the system of performance indicators is to facilitate the assessment of UNIDO services with reference to the priorities of the Business Plan, the decentralization of functions to the field, and efficient and effective use of resources. The Secretariat has made significant progress during the past 18 months in establishing a system of performance indicators, some of which are already being applied. Indicators for impact are being designed. Evaluation functions are being strengthened through a new organizational location and a new approach. All these will provide Member States with tools to assess the performance of the new UNIDO.

9. Some indicators have clearly shown that UNIDO has complied with the Business Plan. For example, the focusing of UNIDO activities is clearly shown in the limited number of service modules where UNIDO has a competitive advantage. Resources allocated to field offices have been increased, and those for administration reduced considerably. The performance indicators will facilitate the Secretariat's efforts to improve its performance and Member States' oversight.

IV. ACTION REQUIRED OF THE BOARD

10. The Board may wish to take note of the information provided in the present document.

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INFORMATION ON INTERGOVERNMENTAL ORGANIZATIONS

Note by the Director-General

Provides information on an intergovernmental organization (European Bank for Reconstruction and Development) that has expressed the wish to enter into an appropriate relationship agreement with UNIDO.

1. Pursuant to paragraph 8 of the guidelines issued by the General Conference in its decision GC.1/Dec.41 regarding relationship agreements, the present document provides in an annex information on the European Bank for Reconstruction and Development (EBRD), which has expressed the wish to enter into an appropriate relationship agreement with UNIDO.

ACTION REQUIRED OF THE BOARD

2. The Board may wish to authorize the Director-General, in accordance with General Conference decision GC.1/Dec.41, annex, paragraph 9, to conclude an appropriate relationship agreement with EBRD based on the information contained in the annex to the present document.

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Annex

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD)

Historical background

Established in 1991 to assist the countries of central and eastern Europe and the Commonwealth of Independent States (CIS) to develop market economies.

Purpose

To help its countries of operations implement structural and sectoral economic reforms and to promote competition, privatization and entrepreneurship, taking into account the particular needs of countries at different stages of transition. Through its investments, it promotes private sector activities, the strengthening of financial institutions and legal systems and the development of the infrastructure needed to support the private sector.

In fulfilling its role as a catalyst of change, EBRD encourages co-financing and foreign direct investment from the private and public sectors, helps to mobilize domestic capital and provides technical cooperation in relevant areas. It works in close cooperation with international financial institutions and other international and national organizations. In all its activities, the Bank promotes environmentally sound and sustainable development.

Membership

60 members (58 countries, the European Union and the European Investment Bank), including 26 countries of operations in central and eastern Europe and the CIS.

Organizational structure

The powers of EBRD are vested in a Board of Governors, to which each member appoints a Governor and an Alternate. The Board of Governors has delegated powers to a Board of Directors with 23 members, who are elected by the Board of Governors for a three-year term.

The Board of Directors is responsible for the direction of the general operations of the Bank, including establishing policies, taking decisions concerning projects and approving the budget. The President is elected by the Board of Governors for a four-year term. Vice-Presidents are appointed by the Board of Directors on the recommendation of the President.

The Secretariat consists of units dealing with finance, personnel and administration; project evaluation, operation support and nuclear safety; internal audit and communications. There are offices of the Secretary General, General Counsel and Chief Economist. Headquarters are in London, with 29 resident offices or other offices located in 25 countries of operations.

Financing

Subscribed capital of ECU 20 billion, of which 30 per cent is paid in. The Bank also borrows in various currencies on world capital markets. One of EBRD's strengths is that it can operate in both the private and public sectors. It merges the principles and practices of merchant and development banking, providing funding for private enterprises or State-owned enterprises implementing programmes to achieve private ownership and control. Physical and financial infrastructure projects needed to support the private sector are also funded.

Activities

In addition to financing investment projects, EBRD also finances, through a special Co-operation Funds Programme, technical cooperation activities covering, *inter alia*, sector studies, project-related analyses and institutional development and training. These activities support directly or indirectly the Bank's investment and lending operations.

Cooperation with UNIDO

Some UNIDO activities in EBRD member countries have been developed or carried out in cooperation with the Bank. Areas for possible future cooperation include:

- Industrial policy formulation and implementation;
- Market opening and quality management;
- Investment and technology promotion;
- Small and medium enterprise policy framework;
- Statistics and information;
- Energy development and efficiency;
- Environment.

Relationship agreements

EBRD has relationship agreements with several international and European organizations, including the Bretton Woods institutions.

Address

European Bank for Reconstruction and Development
One Exchange Square, London EC2A 2EH, U.K.
Tel.: (0044-171) 338-6000 or 496-6000
Fax: (+) 338-6100 or 496-6100

Head of Organization

Mr. Antonio Maria Costa
Secretary General

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PROGRESS IN THE TRANSFORMATION OF UNIDO

Report by the Director-General

Provides information on the implementation of General Conference resolution GC.7/Res.1, as well as on cooperation within the United Nations Development Assistance Framework (UNDAF) and United Nations houses in the field.

Abbreviations

CCA	common country assessment	UNCTAD	United Nations Conference on Trade and Development
FAO	Food and Agricultural Organization of the United Nations	UNDAF	United Nations Development Assistance Framework
GEF	Global Environment Facility	UNDCP	United Nations International Drug Control Programme
ILO	International Labour Organization	UNDP	United Nations Development Programme
ITC	International Trade Centre	UNESCO	United Nations Educational, Scientific and Cultural Organization
LAC	Latin America and the Caribbean	UNFCCC	United Nations Framework Convention on Climate Change
LDC	least developed country	UNFIP	United Nations Fund for International Partnerships
SID	sustainable industrial development	UNSIA	United Nations Special Initiative for Africa
SHD	sustainable human development	WHO	World Health Organization
SME	small and medium enterprise	WIPO	World Intellectual Property Organization
SPPD	support services for policy and programme development		

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Introduction

1. Resolution GC.7/Res.1 adopted by the General Conference at its seventh session endorsed the Business Plan and requested the Director-General to take action concerning improvements in the functioning of UNIDO, and keeping Member States informed about the implementation of the Business Plan, *inter alia*, through a range of performance indicators. The present document updates and supplements extensive documentation issued to the policy-making organs on action taken to implement the Business Plan, the most important of which are listed in the annex. In particular, part one of the *1998 Annual Report* (IDB.21/10) provides comprehensive information on the measures undertaken to transform the Organization in line with Business Plan requirements. Building on this, the present document addresses cooperation within the United Nations system and takes into particular account the interest of Member States concerning UNIDO cooperation within UNDAF and United Nations houses in the field.

2. Parts of the *Annual Report*, issued in March 1999, detailed the financial, administrative, organizational and programmatic measures that UNIDO has undertaken to implement the Business Plan. The medium-term programme framework, issued in April 1999, presented recent programmatic developments in terms of UNIDO's new integrated programmes and the future schedule for these programmes. These two documents cover fully the major financial, administrative and programmatic measures that have been taken or are planned to be taken in implementation of the Business Plan.

3. The only major developments since the fifteenth session of the Programme and Budget Committee relate to:

- New staff career development programme (covered in document IDB.21/16)
- Development of integrated programmes (covered in documents IDB.21/15, 18, 20 and 21)
- United Nation system-wide cooperation.

The present note updates information on system-wide cooperation given in the *Annual Report* in terms of:

- Inter-agency agreements
- United Nations Development Assistance Framework
- United Nations houses in the field

I. INTER-AGENCY AGREEMENTS

UNCTAD

4. Within the framework of the memorandum of understanding signed with UNCTAD on 26 March 1998, cooperation is taking place in a wide range of areas, as reflected in box 1.

Box 1. Cooperation with UNCTAD

- Brazil, Central America—quality management in food processing (UNCTAD Empretec programme)
- Burkina Faso—Joint regional seminar on women's entrepreneurship development
- Ecuador investment policy review
- Gambia Economic Development Zone and investment policy advice
- Sudan—Multi-agency formulation mission for investment and trade component of integrated country programme
- Uganda—Review of sector profiles for UNCTAD investment and technology programme
- UNIDO seminar on investment opportunities in small and medium-sized infrastructure projects in developing countries)
- UNIDO methodology presented to UNCTAD expert group meeting on clustering and networking for SME development (Geneva, September 1998)
- Regional Europe—Study on regulations of micro finance institutions and credit unions for development of private sector micro and small industries
- UNIDO workshops on quality principles in food processing sector in seven sub-Saharan countries (Harare, September 1998, Addis Ababa, November 1998)
- Joint international working group on clean development mechanisms
- UNIDO Forum on Industrial Development (Vienna, May 1998)
- UNCTAD Conference on Partners in Development (Lyon, France, November 1998)

5. A number of constraints have been encountered in realizing the full potential of cooperation between the two organizations, owing in particular to the far-reaching agenda implied by the agreement. It has been difficult in some cases to give precision to this agenda, despite the supportive spirit that prevails on both sides. Another difficulty has been due in part to insufficiency of financial resources.

UNDP

6. Collaboration between UNDP and UNIDO has been within the framework of the joint letter dated 31 October 1998. In a transformed UNIDO, the focus on sustainable industrial development (SID) is a perfect complement to sustainable human development (SHD), and joint programming is already feasible on the basis of that complementarity. This will facilitate coherence at policy and operational levels and support the related mobilization of resources for joint activities. This collaboration can be seen as a major contribution to the Secretary-General's initiatives for reform.

7. UNDP is analysing UNIDO integrated programmes for seven African countries. Analysis will be in the context of the current cycle for programming arrangements and in the next ones starting in 2000. UNIDO inputs to the United Nations joint programming exercises at the country level have stimulated other specialized agencies to promote the same type of partnership. Currently, UNIDO is working along these lines with four other agencies (UNESCO, WHO, ILO, FAO) in a partnership with UNDP based on its capacity as funder and manager of the United Nations Resident Coordinator system. Other areas of cooperation with UNDP are indicated in box 2.

8. The key to the implementation of this agreement is closely related to the country-level capacity of UNIDO to participate in United Nations joint programming exercises and to the speed and modalities of its decentralization process. Once all related measures are implemented, it will be possible to demonstrate in full the feasibility of the basic principles and objectives identified in the joint letter.

Box 2. Cooperation with UNDP

- Complementarity between sustainable human development strategy and sustainable industrial development concept
- Joint programming at country level
- Strengthening role of UNDP as funder and manager of United Nations Resident Coordinator system
- UNIDO technical capacity for supporting activities, using national execution modality, under consideration
- Support to decentralization process of UNIDO offices at country level
- UNDP studying UNIDO cleaner technologies capacities for incorporation into country programmes on case-by-case basis
- Support to the Alliance for Africa's Industrialization
- Cooperation modalities established for strengthening technical cooperation among developing countries
- Industrial energy efficiency—UNIDO is one of five partners on Task Force on Climate Change, under UNDP leadership and in cooperation with UNFCC
- GEF—Potential pipeline for concrete projects developed and collaboration on existing projects improved
- Security and emergency arrangements (country-level criteria established under leadership of Resident Coordinator/Resident Representative)
- Joint programming as basis for joint training activities at United Nations Staff College

9. As a result of the transformation, the acceleration of the decentralization process in UNIDO and all related modalities are now becoming a reality. Emphasis will therefore be placed on the operational policies of the Organization in order to make them compatible with the programming arrangements of UNDP starting in 2000.

ITC

10. Indications have been received from ITC that 10 of UNIDO's service modules offer good cooperation potential, along with several areas that cut across all 16 service modules. Work is now being undertaken to build on the identified potential as the basis for drafting a memorandum of understanding.

UNDCP

11. UNIDO will take part in a UNDCP programme formulation mission to Albania focusing on employment and income-generating activities in selected regions. Discussions are now taking place to update existing cooperation agreements between the two organizations into a new memorandum of understanding.

II. UNITED NATIONS DEVELOPMENT ASSISTANCE FRAMEWORK

12. UNIDO has been actively involved in the UNDAF process. UNIDO Representatives at the country level serve as focal points for the UNDAF exercise and as members of United Nations country teams. They also participate fully in United Nations country-level meetings and retreats in the development of various system-wide approaches and play a critical role in the preparation of common country assessments (CCAs). During the process of development of its integrated programmes, UNIDO will continue to maintain its coherence and integration with UNDAF and United Nations Special Initiative for Africa (UNSIA) exercises. UNIDO was also engaged in the UNDAF process at the country level where no integrated programmes have yet been developed or are at the planning stage. Table 1 provides information on UNIDO involvement within the UNDAF process at the country level.

Table 1. UNIDO involvement within UNDAF

Africa	Asia	Europe	Latin America & Caribbean
Ethiopia	China	Romania	Colombia
Malawi	India	Turkey	Guatemala
Mali	Pakistan		Honduras
Senegal	Philippines		
United Republic of Tanzania	Viet Nam		
Zimbabwe			

13. It should also be mentioned that, as part of its close cooperation with the UNDAF exercise, UNIDO has provided substantial inputs into the finalization of the draft CCAs and the UNDAF guidelines.

III. UNITED NATIONS HOUSES IN THE FIELD

14. A key feature of the Secretary-General's reform programme to enhance coherence and coordination within the system is the establishment of common premises, or United Nations houses. United Nations houses ultimately aim to house all programmes, funds, offices of specialized agencies and information centres. These houses enable wider sharing of support services among United Nations entities to yield increased efficiencies and the reduction of administrative costs. UNIDO is fully committed to integration into the growing network of United Nations houses.

15. According to the United Nations Development Group, so far United Nations houses have been officially designated in Lebanon, Lesotho, Malaysia and South Africa. UNIDO's Representative in Lebanon is based in the United Nations house. Table 2 shows the countries in which UNIDO Representatives share premises with UNDP or with the United Nations.

16. With respect to premises shared with UNDP, as per the UNIDO/UNDP cooperation agreement signed last year, UNIDO shares office equipment and physical infrastructure with UNDP for efficient delivery of services and reduction of costs. UNDP also provides support to UNIDO's programme development activities, as well as administrative and logistical support. For this support, UNIDO is charged on the basis of common United Nations system rules and procedures established for this purpose by UNDP.

IV. ACTION REQUIRED OF THE BOARD

17. The Board may wish to take note of the information provided in the present document.

Table 2. Premises shared with UNDP or United Nations

Africa	Arab	Asia & Pacific	Europe	Latin America & Caribbean
Cameroon	Egypt	China	Turkey	Argentina**
Côte d'Ivoire	Lebanon	India		Bolivia
Ethiopia	Sudan	Indonesia		Colombia**
Ghana		Islamic Republic of Iran**		Honduras
Guinea**		Pakistan		Jamaica
Kenya		Viet Nam		Mexico
Nigeria*				
Senegal				
United Republic of Tanzania				
Zambia				

*Planned to be moved to United Nations common premises in Abuja.

**Premises provided by the Government.

Annex

FOLLOW-UP TO RESOLUTION GC.7/RES.1—DOCUMENTS ISSUED TO POLICY-MAKING ORGANS

Transformation of UNIDO

IDB.21/10	*Annual Report 1998*, part one
IDB.21/7	Proposed programme and budgets, 2000-2001
IDB.21/13	Medium-term programme framework, 2000-2003
IDB.21/16, chap. IV	Staff career development system

Field representation

IDB.19/11	IDB.21/10, chap. I
IDB.19/CRP.8	IDB.20/CRP.4
IDB.20/16	IDB.21/19

Performance indicators

IDB.19/CRP.2	IDB.21/10, chap. VI
IDB.20/17	IDB.21/24
IDB.20/CRP.5	

Integrated programmes

IDB.21/10, chap. III	
IDB.21/20	Arab countries programme, including technical assistance to the Palestinian people
IDB.21/18	Implementation of the Business Plan in Africa
IDB.21/21	Implementation of the Business Plan in Latin America and the Caribbean

Least developed countries

IDB.19/8	IDB.21/15
IDB.21/10, chap. III.C	

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PROGRESS IN THE TRANSFORMATION OF UNIDO

Report by the Director-General

Corrigendum

Page 4

Replace table 2 by the table appearing below

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Côte d'Ivoire*	Egypt*	India		Bolivia
Ethiopia	Lebanon	Indonesia		Colombia**
Ghana	Sudan	Islamic Republic of Iran*		Honduras
Guinea*		Pakistan		Jamaica
Kenya		Viet Nam		Mexico
Nigeria				
Senegal				
United Republic of Tanzania				
Zambia				

*Premises provided by the Government.

**Separate premises rented by UNIDO.

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Page 4

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Côte d'Ivoire*	Egypt*	India		Bolivia
Ethiopia	Lebanon	Indonesia		Colombia**
Ghana	Sudan	Islamic Republic of Iran*		Honduras
Guinea*		Pakistan		Jamaica
Kenya		Viet Nam		Mexico
Nigeria*				
Senegal				
United Republic of Tanzania				
Zambia				

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